IN THE COURT OF APPEAL OF THE STATE OF CALIFORNIA

FIRST APPELLATE DISTRICT

DIVISION FOUR

CHURCH OF SCIENTOLOGY, INTERNATIONAL,)
Plaintiff/Respondent,)
)
vs.)
)
GERALD ARMSTRONG,) NO. A075027
Defendant/Appellant.)
)

CLERK'S TRANSCRIPT ON APPEAL

FROM A JUDGMENT MADE AND ENTERED

IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA

MARIN COUNTY COURTS

VOLUME 13

For the Plaintiff/Respondent:

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For the Defendant/Appellant (In Pro Per):

Gerald Armstrong
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San Anselmo, CA 94960

IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA

MARIN COUNTY COURTS

DEPARTMENT 1

CHURCH OF SCIENTOLOGY, INTERNATIONAL, Plaintiff, vs. GERALD ARMSTRONG, Defendant.	No. 157680

GARY W. THOMAS	JUDGE
JOHN P. MONTGOMERY	COURT EXECUTIVE OFFICER
ELAINE PASSARIS	REPORTER

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REQUEST FOR JUDICIAL NOTICE OF DOCUMENTS IN SUPPORT OF PLAINTIFF'S MOTION FOR SUMMARY ADJUDICATION OF THE FOURTH, SIXTH AND ELEVENTH CAUSES OF ACTION OF PLAINTIFF'S SECOND AMENDED COMPLAINT AND EXHIBITS THERETO (INCLUDING EXHIB. JN6, ET SEQ.) 11/16/94 3339

EVIDENCE IN SUPPORT OF PLAINTIFF'S MOTION FOR SUMMARY ADJUDICATION OF THE FOURTH, SIXTH AND ELEVENTH CAUSES OF ACTION OF PLAINTIFF'S SECOND AMENDED COMPLAINT 11/16/94 3452

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APR 05 1994

LOS ANGELES
SUPERIOR COURT

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CHURCH OF SCIENTOLOGY INTERNATIONAL

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

CHURCH OF SCIENTOLOGY INTERNATIONAL, a California not-for-profit religious corporation;

Plaintiff,

vs.

GERALD ARMSTRONG; THE GERALD ARMSTRONG CORPORATION, a California corporation; DOES 1-25 INCLUSIVE

Defendants.

CASE NO. BC 052395

VERIFIED SECOND AMENDED COMPLAINT FOR DAMAGES AND FOR PRELIMINARY AND PERMANENT INJUNCTIVE RELIEF FOR BREACH OF CONTRACT

Plaintiff, by its attorneys, Wilson, Ryan & Campilongo and Bowles & Moxon, for its Complaint, alleges:

NATURE OF THE ACTION

1. In violation of the express terms and spirit of a settlement agreement ("the Agreement") entered into in December, 1986, defendant Gerald Armstrong ("Armstrong") has embarked on a deliberate campaign designed to aid plaintiff's litigation adversaries, breach the confidentiality provisions of the

Agreement, and foment litigation, hatred and ill-will toward plaintiff.

2. More than seven years ago, plaintiff Church of Scientology International ("CSI") entered into the Agreement with Armstrong, on its own behalf and for the benefit of numerous third-party beneficiaries. The Agreement provided for a mutual release and waiver of all claims arising out of a cross-complaint which defendant Armstrong had filed in the case of Church of Scientology of California v. Gerald Armstrong, Los Angeles Superior Court No. C 420153. Armstrong, a former Church member who sought, by both litigation and covert means, to disrupt the activities of his former faith, displayed through the years an intense and abiding hatred for the Church, and an eagerness to annoy and harass his former co-religionists by spreading enmity and hatred among members and former members. Plaintiff sought with the Agreement to end all of Armstrong's covert activities against it, along with the litigation itself. For that reason, the Agreement contained carefully negotiated and agreed-upon confidentiality provisions and provisions prohibiting Armstrong from fomenting litigation against plaintiff by third parties. These provisions were bargained for by plaintiff to put an end to the enmity and strife generated by Mr. Armstrong once and for all.

3. This action arises out of deliberate and repeated breaches by Armstrong of these and other express provisions of the Agreement. Although plaintiff fully performed all of its obligations under the Agreement, Armstrong never intended to keep his part of the bargain and maintains that he considered the

referenced provisions to be unenforceable ab initio. As soon as he finished spending the money he extracted from plaintiff as the price of his signature, Armstrong began a systematic campaign to foment litigation against plaintiff by providing confidential information, copies of the Agreement, declarations, and "paralegal" assistance to litigants actively engaged in litigation against his former adversaries. Although plaintiff has repeatedly demanded that Armstrong end his constant and repeated breach of the provisions of the Agreement, Armstrong appears to delight in renewing his annoying and harassing activities, admitting to them in sworn declarations, and refusing to end his improper liaisons.

4. With this Complaint, plaintiff seeks the Court's aid in obtaining the peace for which it bargained more than seven years ago. Plaintiff requests liquidated damages pursuant to the terms of the Agreement from Armstrong and his sham corporate alter ego, the Gerald Armstrong Corporation ("GAC"), as well as injunctive relief to prevent additional and future breaches of the Agreement by Armstrong.

THE PARTIES

5. Plaintiff Church of Scientology International is a non-profit religious corporation incorporated under the laws of the State of California, having its principal offices in Los Angeles, California. Plaintiff CSI is the Mother Church of the Scientology religion.

6. Defendant Gerald Armstrong is a resident of Marin County, California.

7. Defendant Gerald Armstrong Corporation is a corporation

incorporated under the laws of the State of California, having its principal offices in San Anselmo, California.

8. Defendant Armstrong is the principal shareholder in GAC and its sole employee, and has been since the incorporation of GAC in 1987.

9. Defendant GAC is, and at all times since its incorporation was, the alter ego of defendant Armstrong and there exists, and at all times since GAC's incorporation has existed, a unity of interest and ownership between these two defendants such that any separateness between them has ceased to exist, in that defendant Armstrong caused his own personal assets to be transferred to GAC without adequate consideration, in order to evade payment of his lawful obligations, and defendant Armstrong has completely controlled, dominated, managed and operated GAC since its incorporation for his own personal benefit.

10. Defendant GAC is, and at all times herein mentioned was, a mere shell, instrumentality and conduit through which defendant Armstrong carried on his activities in the corporate name exactly as he conducted it previous to GAC's incorporation, exercising such complete control and dominance of such activities to such an extent that any individuality or separateness of defendant GAC and defendant Armstrong does not, and at all relevant times mentioned herein, did not exist.

11. Adherence to the fiction of the separate existence of defendant GAC as an entity distinct from defendant Armstrong would permit an abuse of the corporate privilege and would sanction fraud, in that Armstrong transferred his material assets to GAC in 1988, prior to embarking on the campaign of harassment

described herein, and with the intention of preventing plaintiff from obtaining monetary relief from Armstrong pursuant to the liquidated damages clause. GAC exists solely so that Armstrong may be "judgment proof."

THE CONTRACT

12. On or about December 6, 1986, CSI and Armstrong entered into a written confidential settlement Agreement, a true and correct copy of which is attached hereto as Exhibit A, and incorporated herein by reference.

13. The Agreement was entered into by plaintiff and defendant Armstrong, with the participation of their respective counsel after full negotiation. Each provision of the Agreement was carefully framed by the parties and their counsel to accurately reflect the agreement of the parties.

14. Plaintiff specifically negotiated for and obtained from Armstrong the provisions in the Agreement delineated in paragraphs 7(D), 7(H), 7(G), 10 and paragraphs 12 through 18, because it was well aware, through investigation, that Armstrong had undertaken a series of covert activities, apart from the litigation, which were intended by Armstrong to discredit Church leaders, spark government raids into the Churches, create phony "evidence" of wrongdoing against the Churches, and, ultimately, destroy the Churches and their leadership.

15. Contemporaneously with the signing of the Agreement, Armstrong represented that he understood the Agreement's provisions and was acting of his own free will and not under duress.

16. The Agreement also provided that plaintiff CSI would

pay to Armstrong's attorney, Michael Flynn, a lump sum amount intended to settle not just Armstrong's case, but the cases of other clients of Mr. Flynn as well, and that Mr. Flynn would pay to Armstrong a portion of that settlement amount. The exact amount of the portion to be paid to Armstrong by Mr. Flynn was maintained as confidential between Mr. Flynn and Armstrong.

17. CSI paid to Mr. Flynn the lump sum settlement amount.

18. Mr. Flynn paid to Armstrong his confidential portion of the lump sum settlement amount, which was at least $520,000, after expenses.

19. The consideration paid to Armstrong was fair, reasonable and adequate. Plaintiff CSI has performed all of its obligations pursuant to the Agreement.

FIRST CAUSE OF ACTION

(Against Armstrong for Breach of Contract)

20. Plaintiff realleges paragraphs 1-19, inclusive, and incorporates them herein by reference.

21. Vicki and Richard Aznaran ("the Aznarans") are former Scientology parishioners currently engaged in litigation against, inter alia, RTC and CSI, in the case of Vicki J. Aznaran, et al. v. Church of Scientology of California, et al., United States District Court for the Central District of California, Case No. CV 88-1786 JMI (Ex).

22. In June, 1991, the Aznarans discharged their attorney, Ford Greene, and retained attorney Joseph A. Yanny to represent them.

23. While acting as the Aznarans' counsel, Yanny hired Gerald Armstrong as a paralegal to help Yanny on the Aznaran

case.

24. In July, 1991, Armstrong agreed to travel from Marin County to Los Angeles and asked Yanny to pay him $500 for his proposed help.

25. In July, 1991, Armstrong did travel to Los Angeles as he had agreed, stayed with Yanny on July 15 and July 16, 1991, and provided Yanny with paralegal assistance and a declaration for the Aznaran case.

26. Yanny is former counsel to CSI, and his substitution into the case was vacated by the Court sua sponte on July 24, 1991, the Court noting that Yanny's retention as the Aznarans' counsel was "highly prejudicial" to CSI.

27. Armstrong's acceptance of employment by Yanny to work on the Aznarans' litigation is a direct violation of Paragraphs 7(G) and 10 of the Agreement.

28. As a direct and proximate result of Armstrong's breach of the agreement by providing paralegal assistance to Yanny in the Aznarans' litigation, plaintiff has incurred damages which are not presently calculable. In no event, however, are they less than the jurisdictional minimum of this Court. Consequently, for this breach plaintiff seeks compensatory and consequential damages according to proof.

SECOND CAUSE OF ACTION

(Against Armstrong for Breach of Contract)

29. Plaintiff realleges paragraphs 1-19, 21-28, inclusive, and incorporates them herein by reference.

30. After Yanny entered his appearance in the Aznarans' case and indicated to CSI's counsel that he represented Gerald

Armstrong as well, CSI brought suit against Yanny in the case of Religious Technology Center, et al. v. Joseph A. Yanny, et al., Los Angeles Superior Court No. BC 033035 ("RTC v. Yanny"). In that action, plaintiff sought and obtained a Temporary Restraining Order and a Preliminary Injunction against Yanny, which prohibit Yanny from aiding, advising, or representing, directly or indirectly, the Aznarans or Armstrong, on any matters relating to the plaintiff.

31. At the hearings before the Court on the temporary restraining order and the injunction, Yanny filed two declarations prepared and executed by Armstrong on July 16, 1991. The declarations were offered by Yanny as part of Yanny's defense, which was ultimately rejected by the Court when it issued its injunction.

32. Armstrong's aid to Yanny in the RTC v. Yanny case is a direct violation of Paragraphs 7(G) and 10 of the Agreement.

33. Armstrong attached as an exhibit to one of his July 16, 1991 declarations a copy of the Agreement, the terms of which he had agreed, pursuant to paragraph 18(D), to keep confidential. This disclosure of the terms of the Agreement is a violation of its non-disclosure provisions, requiring that Armstrong pay to CSI $50,000 in liquidated damages.

34. Despite demand by plaintiff, Armstrong has failed and refused to pay them the $50,000 owed in liquidated damages for this breach of the Agreement.

THIRD CAUSE OF ACTION

(Against All Defendants for Breach of Contract)

35. Plaintiff realleges paragraphs 1-19, 21-28 and 30-34,

inclusive, and incorporates them herein by reference.

36. After Yanny's substitution into the Aznarans' case was summarily vacated, Ford Greene was reinstated as Aznarans' counsel of record. Ford Greene's law offices are located in San Anselmo, California.

37. On or about August, 1991, Armstrong began working in Ford Greene's office as a paralegal on the Aznarans' case. When, thereafter, the Aznarans hired attorney John Elstead to represent them as well, Armstrong provided paralegal services to Elstead as well as Greene. Armstrong's employment in Greene's office has continued to the present. Armstrong's activities constitute a daily and continuing breach of his contract, rendering plaintiff's bargain a nullity.

38. Plaintiff CSI has already incurred, and continues to incur, damages as a direct and proximate result of Armstrong's provision of aid to Greene in the Aznarans' case. Those damages are not presently calculable and will cease only when Armstrong is ordered to stop his improper conduct. In no event, however, are they less than the jurisdictional minimum of this Court. Consequently, for this breach plaintiff seeks compensatory and consequential damages according to proof.

FOURTH CAUSE OF ACTION

(Against All Defendants for Breach of Contract)

39. Plaintiff realleges paragraphs 1-19, 21-28, 30-34 and 36-38, inclusive, and incorporates them herein by reference.

40. In addition to the paralegal services which Armstrong has provided to Ford Greene and John Elstead on the Aznarans' litigation, Armstrong also provided the Aznarans with a

declaration, dated August 26, 1991, and filed in the Aznarans' case. In that declaration, Armstrong describes some of his alleged experiences with and concerning plaintiff, and purports to authenticate copies of certain documents. These actions and disclosures are violations of paragraphs 7(G), 7(H) and 10 of the Agreement, requiring that Armstrong pay to CSI $50,000 in liquidated damages.

41. Despite demand by plaintiff, Armstrong has failed and refused to comply with the liquidated damages provision by paying $50,000 to plaintiff as demanded for this breach of the Agreement.

FIFTH CAUSE OF ACTION

(For Breach of Contract Against Armstrong)

42. Plaintiff realleges paragraphs 1-19, 21-28, 30-34, 36-38 and 40-41, inclusive, and incorporates them hereby reference.

43. On or about March 19, 1992, Armstrong, acting through Ford Greene as his agent, transmitted a press release to various members of the media, including the Cable News Network, San Francisco Chronicle, San Francisco Examiner, and the Marin County Independent Journal. A true and correct copy of the press release is attached hereto as Exhibit B. Said press release violated the Agreement in that it constituted disclosures by Armstrong, through Ford Greene as his agent, of his experiences with Scientology as prohibited by paragraph 2. The following are the excerpts from the press release which violate paragraph 2:

a) "Can the Scientology organization purchase the free speech rights of Gerald Armstrong-the former in-house biographer researcher/archivist of cult leader, L. Ron Hubbard..."

> b) "A former high-ranking Scientologist for 12 years, Armstrong split with the group when it insisted he continue lying about the accomplishments Hubbard claimed to the public at large."
>
> c) "For years Scientology has treated Armstrong as a 'suppressive person' who was 'fair game.'"
>
> d) "Armstrong is resisting Scientology's high-powered attack in an effort to affirm his right to free speech to maintain vigilance for the truth."
>
> e) "(Scientology is) fabricating false scenarios in other court proceedings that Armstrong was an agent of the IRS out to destroy it."

44. In addition, the press release devotes an entire paragraph to a description of the lawsuit resulting from the Settlement Agreement and to a description of the Settlement Agreement itself:

> "After Armstrong beat Scientology's lawsuit against him in 1984, he was poised to prosecute his own claims. For millions of dollars, however, in 1986 Scientology settled with he and over 17 other Scientology knowledgeable individuals on the condition that those persons would forever keep silent, avoid giving sworn testimony by evading subpoenas, and never aid or assist anyone adverse to Scientology."

The distribution of the press release violated the provisions of paragraphs 7(D) and 18 of the Agreement.

45. By reason of the foregoing breach by Armstrong, plaintiff is entitled to $50,000 in liquidated damages and compensatory damages not presently known but believed to be in excess of the jurisdictional minimum of this Court.

SIXTH CAUSE OF ACTION

(For Breach of Contract by Armstrong)

46. Plaintiff realleges paragraphs 1-19, 21-28, 30-34, 36-38, 40-41 and 43-45, inclusive, and incorporates them hereby by reference.

47. On or about March 19 and 20, 1992, Armstrong and Greene, acting as Armstrong's agent, granted the media additional interviews, which also violated paragraph 2 of the Agreement. During the course of his interview with the Cable News Network, for example, Armstrong stated, "I'm an expert in the misrepresentations Hubbard has made about himself from the beginning of Dianetics until the day he died." Attached hereto and incorporated herein by reference as Exhibit C is a true and correct transcription of the CNN broadcast which featured this statement made voluntarily by Armstrong in a media interview.

48. By reason of the foregoing breach of the Agreement, plaintiff is entitled to $50,000 in liquidated damages.

SEVENTH CAUSE OF ACTION

(Against Armstrong for Breach of Contract)

49. Plaintiff realleges paragraphs 1-19, 21-28, 30-34, 36-38, 40-41, 43-45 and 47-48, inclusive and incorporates them herein by reference.

50. On or about February, 1992, Armstrong agreed to appear voluntarily as an "expert witness" in litigation known as Hunziker v. Applied Materials, No. 692629 S.C.S.C (the "Hunziker case"). The alleged subject of his "expertise" was Scientology. The defendants named in the Hunziker case include, inter alia, World Institute of Scientology Enterprises, Inc., which is a Scientology affiliated entity protected by the Agreement.

51. On or about February 21, 1992 and February 23, 1992, Armstrong met voluntarily with James Rummond and John Elstead, attorneys for the plaintiffs in the Hunziker case. During his meetings with these attorneys, Armstrong discussed his alleged

history and experiences with plaintiff and with other Scientology entities and individuals protected by the Agreement, and offered to appear for the plaintiffs as an "expert" on the subject of Scientology practices and beliefs.

52. On March 3, 1992, Armstrong voluntarily, and without the issuance of a subpoena by anyone, appeared for deposition in the Hunziker case and accepted a fee for his testimony from the defendants in that case of $1,000. During the course of the deposition, which lasted for approximately four hours, Armstrong testified at length concerning his alleged experiences with and concerning plaintiff and other Scientology affiliated entities and individuals protected by the Agreement, and concerning knowledge and information which he claimed to have concerning plaintiff and other Scientology affiliated entities and individuals.

53. During his deposition on March 3, 1992, Armstrong produced documents which he claimed to have reviewed in preparation for his testimony, in violation of paragraph 7(D) of the Agreement.

54. On or about March 12, 1992, Armstrong again appeared for deposition in the Hunziker case. This time, Armstrong claimed that he had been given a deposition subpoena not by the deposing attorney, but by attorney Elstead, and that Elstead had "filled out" the subpoena earlier that morning. Armstrong refused to produce a copy of the alleged subpoena, which had not been served on any of the parties to the case. In fact, Armstrong himself requested that Elstead issue him a subpoena on Sunday, March 8, 1992, after a temporary restraining order was

issued in this case. On March 8, 1992, Armstrong delivered additional documents to Elstead, again in violation of paragraph 7(D) of the Agreement.

55. Plaintiff learned in April, 1992, through review of the aforesaid deposition transcript, that since the signing of the Agreement, Armstrong had "taken it upon [him]self" to reacquire documents which he had previously returned to plaintiff "from whatever source." He produced many of those documents voluntarily, first to Elstead on March 8, 1992, and then to opposing counsel during the March 12, 1992 deposition.

56. These actions and disclosures are violations of Paragraphs 7(D), 7(G), 7(H) and 10 of the Agreement, requiring that Armstrong pay to CSI $250,000 in liquidated damages.

EIGHTH CAUSE OF ACTION

(Against Armstrong for Breach of Contract)

57. Plaintiff realleges paragraphs 1-19, 21-28, 30-34, 36-38, 40-41, 43-45, 47-48, 50-56, inclusive, and incorporates them herein by reference.

58. On or about April 7, 1992, while testifying in the matter known as Church of Scientology v. Yanny, (No. BC 033035), Armstrong made the Settlement Agreement sued upon herein an exhibit to the deposition transcript. Said action was a breach of paragraph 18(D) of the Agreement which prohibits disclosure of the contents of the Agreement.

59. By reason of the foregoing breach of the Agreement, Plaintiff is entitled to $50,000 in liquidated damages, together with compensatory damages in an amount not presently known to plaintiff but believed to be in excess of the jurisdictional

minimum of this court.

NINTH CAUSE OF ACTION

(Against Armstrong for Beach of Contract)

60. Plaintiff realleges paragraphs 1-19, 21-28, 30-34, 36-38, 40-41, 43-45, 47-48, 50-56 and 58-59, inclusive, and incorporates them herein by reference.

61. In breach of the provision of paragraph 7(E) of the Agreement, Armstrong failed to return a letter written by L. Ron Hubbard to the Federal Bureau of Investigation in 1955 and an internal communication known as "Technical Bulletin."

62. In breach of the provisions of paragraph 7(H) of the Agreement, Armstrong gave a declaration in the Aznaran litigation on August 26, 1991 in opposition to a motion to exclude expert testimony.

63. Said declaration attached as exhibits the two documents referred to in paragraph 61 above, in breach of the provisions of Paragraph 7(D) of the Agreement.

64. By reason of the breaches by Armstrong in paragraphs 7(E) and 7(H) of the Agreement, plaintiff has been damaged in an amount not presently known but believed to be in excess of the jurisdictional minimum of this Court.

65. By reason of the breach by Armstrong of paragraph 7(D) of the Agreement, plaintiff is entitled to liquidated damages in the amount of $50,000.

TENTH CAUSE OF ACTION

(Against Armstrong for Breach of Contract)

66. Plaintiff realleges paragraphs 1-19, 21-28, 30-34, 36-38, 40-41, 43-45, 47-48, 50-56, 58-59 and 61-65, inclusive, and

incorporates them herein by reference.

67. Plaintiff learned in March, 1992, that during 1990 and 1991, Armstrong voluntarily provided aid and advice to Bent Corydon and to Corydon's attorney, Toby Plevin, in the conduct of litigation against plaintiff and affiliated entities in the case of Bent Corydon v. Church of Scientology International, et al., Los Angeles Superior Court Case No. C 694401.

68. Armstrong's voluntary provision of aid to Plevin to work on Corydon's litigation is a direct violation of paragraphs 7(G) and 10 of the Agreement.

69. As a direct and proximate result of Armstrong's breach of the Agreement by providing voluntary assistance to Plevin in Corydon's litigation, plaintiff has incurred damages which are not presently calculable. In no event, however, are they less than the jurisdictional minimum of this Court. Consequently, for this breach plaintiff seeks compensatory and consequential damages according to proof.

ELEVENTH CAUSE OF ACTION

(Against Armstrong for Breach of Contract)

70. Plaintiff realleges paragraphs 1-19, 21-28, 30-34, 36-38, 40-41, 43-45, 47-48, 50-56, 58-59, 61-65, 67-69, inclusive, and incorporates them herein by reference.

71. On May 27, 1992, after plaintiff's motion for preliminary injunction in this matter had been argued, and while a determination of that motion was still pending, Armstrong voluntarily provided a declaration to Gary M. Bright and Jerold Fagelbaum, attorneys for defendants David Mayo, Church of the New Civilization, John Nelson, Harvey Haber, Vivien Zegel and Dede

Reisdorf in the consolidated cases of Religious Technology Center, et al. v. Robin Scott, et al., and Religious Technology Center, et al. v. Wollersheim, et al., United States District Court for the Central District of California, Case Nos. CV 85-711 JMI (Bx) and CV 85-7197 JMI (Bx) (the "Scott case"). The plaintiffs in the Scott case are plaintiff, Church of Scientology International, Church of Scientology of California, and Religious Technology Center, all entities specifically protected by the Agreement.

72. In his May 27, 1992 declaration, Armstrong purports to authenticate an earlier declaration which describes some of his alleged experiences with and concerning plaintiff, as well as a portion of a transcript which was ordered sealed in the earlier action between plaintiff and defendant. These actions and disclosures are violations of paragraphs 7(G), 7(H) and 10 of the Agreement, requiring that Armstrong pay to CSI $50,000 in liquidated damages.

73. As a direct and proximate result of Armstrong's breach of the Agreement by providing voluntary assistance to Bright and Fagelbaum in the Scott case, plaintiff has incurred additional damages which are not presently calculable. In no event, however, are they less than the jurisdictional minimum of this Court. Consequently, for this breach plaintiff also seeks compensatory and consequential damages according to proof.

TWELFTH CAUSE OF ACTION

(Against All Defendants for Breach of Contract)

74. Plaintiff realleges paragraphs 1-19, 21-28, 30-34, 36-38, 40-41, 43-45, 47-48, 50-56, 58-59, 61-65, 67-69, 71-73,

inclusive, and incorporates them herein by reference.

75. Since August, 1991, Armstrong has worked as a paralegal for attorney Ford Greene. Mr. Greene's practice consists substantially of pressing claims by former Scientologists against the plaintiff and other individuals and entities identified in paragraph 1 as beneficiaries of the Agreement (collectively, "the Beneficiaries").

76. Among Mr. Greene's clients who are pressing claims against one or more of the Beneficiaries are Ed Roberts and Denise Cantin.

77. While working in Mr. Greene's office, Armstrong provided substantial paralegal assistance to Mr. Greene in the Ed Roberts and Denise Cantin matters. In the case of Roberts, for example, Armstrong went to Colorado and interviewed Roberts in November, 1991, and has interviewed him at least seven times since then. In December, 1992, Armstrong even made a settlement demand to plaintiff's counsel on behalf of Roberts, without bothering to go through Roberts' attorney, Mr. Greene.

78. Armstrong's employment by Greene to work on the Roberts and Cantin matters is a direct violation of paragraphs 7(G) and 10 of the Agreement.

79. As a direct and proximate result of Armstrong's breach of the agreement by providing paralegal assistance to Greene on the Roberts and Cantin matters, plaintiff has incurred damages which are not presently calculable. In no event, however, are they less than the jurisdictional minimum of this Court. Consequently, for this breach plaintiff seeks compensatory and consequential damages according to proof.

THIRTEENTH CAUSE OF ACTION

(For Breach of Contract Against All Defendants)

80. Plaintiff realleges paragraphs 1-19, 21-28, 30-34, 36-38, 40-41, 43-45, 47-48, 50-56, 58-59, 61-65, 7-69, 71-73 and 75-79, inclusive, and incorporates them herein by reference.

81. In or about November, 1992, in Los Angeles, California, Armstrong attended a convention of the Cult Awareness Network, an anti-religious group whose members advocate the kidnapping and "deprogramming" of persons belonging to groups which they label "cults." While at the convention, Armstrong provided a lengthy videotaped interview to deprogramming specialist Jerry Whitfield. A true and correct copy of the transcript of the videotape is attached hereto as Exhibit D. Said videotaped interview violates the Agreement in that it purportedly contains disclosures by Armstrong of his claimed experiences with Scientology as prohibited by paragraph 7(D) of the Agreement.

82. In addition, the videotaped interview devotes an entire section to a description of the earlier action resulting from the Settlement Agreement and to a description of the Settlement Agreement itself. The making of the videotape violated the provisions of paragraphs 7(D) and 18 of the Agreement.

83. In addition, plaintiff is informed and therefore believes that Armstrong has distributed the videotape to persons other than Whitfield, the number of which plaintiff has still to ascertain. The provision of the videotape by Armstrong to any person additionally violates paragraphs 7(D) and 18 of the Agreement.

84. In addition, while at the CAN convention, Armstrong

spoke with approximately fifty (50) people, and willingly disclosed to them his claimed experiences with Scientology, in violation of paragraphs 7(D) and 18 of the Agreement.

85. By reason of the foregoing breaches by Armstrong, plaintiff is entitled to at least $150,000 in liquidated damages, and further liquidated damages subject to proof.

FOURTEENTH CAUSE OF ACTION

(For Breach of Contract Against All Defendants)

86. Plaintiff realleges paragraphs 1-19, 21-28, 30-34, 36-38, 40-41, 43-45, 47-48, 50-56, 58-59, 61-65, 67-69, 71-73, 75-79 and 81-85, inclusive, and incorporates them herein by reference.

87. On or about December 22, 1992, Armstrong sent a letter to, inter alia, Malcolm Nothling, Ed Roberts, Lawrence Wollersheim, Richard Aznaran, Vicki Aznaran, Richard Behar, Ford Greene, Paul Morantz, Joseph A. Yanny, Toby L. Plevin, Graham E. Berry, Stuart Cutler, Anthony Laing, John C. Elstead, Fr. Kent Burtner, Margaret Singer, Cult Awareness Network and Daniel A. Leipold. Each of these individuals or organizations is (a) engaged in litigation against plaintiff and/or other Beneficiaries; (b) an avowed adversary of plaintiff and/or other Beneficiaries; and/or (c) an attorney who represents or has represented litigants and/or adversaries of plaintiff and/or other Beneficiaries. A true and correct copy of the letter sent by Armstrong is attached hereto as Exhibit E. Said letter violates the Agreement in that it contains purported disclosures by Armstrong of his claimed experiences with Scientology as prohibited by paragraph 7(D).

88. In addition, the letter devotes an entire section to a

description of the earlier action resulting from the breaches of the Settlement Agreement and to a description of the Settlement Agreement itself. The sending of the letter to plaintiff's adversaries violated the provision of paragraph 7(D) of the Agreement.

89. By reason of the foregoing breach of the Agreement, plaintiff is entitled to $950,000 in liquidated damages.

FIFTEENTH CAUSE OF ACTION

(Against All Defendants for Breach of Contract)

90. Plaintiff realleges paragraphs 1-19, 21-28, 30-34, 36-38, 40-41, 43-45, 47-48, 50-56, 58-59, 61-65, 71-73, 75-79, 81-85 and 87-89, inclusive and incorporates them herein by reference.

91. According to Armstrong, sometime between December 22, 1992 and March 10, 1993, he spoke at an event at which approximately 30 to 40 people were present. At this event, Armstrong spoke of, inter alia, his claimed experiences with Scientology, in violation of at least paragraphs 7(D) and 18 of the Agreement, and received monetary compensation for his speech.

92. By reason of the foregoing breach of the Agreement, plaintiff is entitled to $50,000 in liquidated damages.

SIXTEENTH CAUSE OF ACTION

(Against All Defendants for Breach of Contract)

93. Plaintiff realleges paragraphs 1-19, 21-28, 30-34, 36-38, 40-41, 43-45, 47-48, 50-56, 58-59, 61-65, 71-73, 75-79, 81-85, 87-89, 91-92, inclusive, and incorporates them herein by reference.

94. In or about June, 1993, Armstrong gave an interview to one or more reporters from Newsweek magazine, which also violated

paragraph 7(D) of the Agreement. Plaintiff is informed, and therefore believes, that during the course of his interview with the Newsweek reporter(s), whose identity is known to defendants but not to plaintiff, Armstrong stated that the Founder of the Scientology faith, L. Ron Hubbard, wanted "rich Scientologists to buy huge quantities of [The Way to Happiness] for distribution. He wanted to go down in history as a scientist or a philosopher or both." Attached hereto and incorporated herein by reference as Exhibit F is a true and correct copy of the Newsweek article which featured this statement made voluntarily by Armstrong in a media interview. The provision of this interview by Armstrong violated the provisions of paragraphs 2, 7(D) and 18 of the Agreement.

95. By reason of the foregoing breach of the Agreement, plaintiff is entitled to $50,000 in liquidated damages.

SEVENTEENTH CAUSE OF ACTION

(Against All Defendants for Breach of Contract)

96. Plaintiff realleges paragraphs 1-19, 21-28, 30-34, 36-38, 40-41, 43-45, 47-48, 50-56, 58-59, 61-65, 67-69, 71-73, 75-79, 81-85, 87-89, 91-92 and 94-95, inclusive, and incorporates them herein by reference.

97. In or about August, 1993, Armstrong gave an interview to one or more reporters from Entertainment Television, with the intention that the reporters broadly republish the interview on national television, which also violated paragraph 7(D) of the Agreement. During the course of his interview with the Entertainment Television reporter(s), whose identity is known to defendants but not to plaintiff, Armstrong made statements

concerning his claimed experiences with Scientology. Further, Armstrong provided to Entertainment Television a copy of a manuscript entitled: "ONE HELL OF A STORY An Original Treatment Written for Motion Picture Purposes Created and Written by Gerald Armstrong" (hereinafter, "the treatment"). Plaintiff is informed and believes that the treatment so provided includes detailed descriptions of Armstrong's alleged experiences in and concerning Scientology, including a description of Church scriptures which are considered sacred and confidential by the Church. Portions of the Armstrong interview and the treatment were shown on Entertainment Television's "Entertainment Tonight" show on August 5, 1993. The provision of this interview and the treatment by Armstrong to Entertainment Television violated the provisions of at least paragraphs 7(D) and 18 of the Agreement.

98. By reason of the foregoing breach of the Agreement, plaintiff is entitled to $50,000 in liquidated damages.

EIGHTEENTH CAUSE OF ACTION

(Against All Defendants for Injunctive Relief)

99. Plaintiff realleges paragraphs 1-19, 21-28, 30-34, 36-38, 40-41, 43-45, 47-48, 50-56, 58-59, 61-65, 67-69, 71-73, 75-79, 81-85, 87-89, 91-92, 94-95, 97-98, inclusive, and incorporates them herein by reference.

100. In or about June 1993, defendant Armstrong caused the formation of and became a director and officer of a Colorado corporation which he called Fight Against Coercive Tactics, Inc. ("FACTI"). One of the avowed purposes of this corporation is to foment civil litigation against plaintiff and the other entities and individuals protected by the Agreement. Armstrong formed

FACTI to implement his plan to foment such litigation.

101. Armstrong has established FACTI to create an electronic "library" that would feature, inter alia, hundreds of documents, declarations, exhibits and arguments prepared by Armstrong which discuss and pertain to the Beneficiaries, and to attempt to "shelter" these contractual breaches under a corporate name and the rubric of First Amendment privilege.

102. Armstrong has provided an entire assortment of documents to FACTI for its electronic library, including a copy of the settlement agreement herein, scores of declarations, and documents which Armstrong retained in violation of paragraph 7(E) of the Agreement. Providing these documents to FACTI with the intention that FACTI distribute them to others, including but not limited to other litigants, is a breach of paragraphs 7(H) and 7(D) of the Agreement.

103. In or about January, 1994, Armstrong, using FACTI, sent a mass mailing to an as yet unascertained number of people, including members of the Scientology faith. In the mailing, Armstrong exhorts recipients to bring civil actions against the Church, stating that he is collecting negative information about the plaintiff "to assist ongoing litigation." Further, Armstrong requests the addresses of and ways to contact the family members of senior Church executives, an action which is clearly intended for the purpose of harassment.

104. To further the fomenting of litigation, the mailing contains a list, based on rumor, falsehood and innuendo, of persons supposedly harmed or injured by their belief in the Scientology religion. Plaintiff is informed and believes that

Armstrong, using FACTI as his cover, provided that list to Graham Berry, an attorney representing defendant Uwe Geertz in the case of Church of Scientology International v. Steven Fishman, et al., United States District Court for the Central District of Los Angeles, Case No. 91-6426 HLH (Tx), which Berry then used against the Church in that action.

105. Armstrong's provision of assistance to Geertz and scores of other as yet unidentified would-be litigants is a direct violation of paragraphs 7(G) and 10 of the Agreement.

106. As a direct and proximate result of Armstrong's breach of the agreement via FACTI, plaintiff has incurred damages which are not presently calculable. In no event, however, are they less than the jurisdictional minimum of this Court. Consequently, for this breach plaintiff seeks compensatory and consequential damages according to proof.

NINETEENTH CAUSE OF ACTION

(Against Armstrong for Breach of Contract)

107. Plaintiff realleges paragraphs 1-19, 21-28, 30 -34, 36-38, 40-41, 47-48, 50-56, 58-59, 61-65, 67-69, 71-73, 75-79, 81-85, 87-89, 91-92, 94-95, 97-98, and 100-106, inclusive, and incorporates them herein by reference.

108. On or about February 22, 1994, Armstrong voluntarily provided a declaration to Graham E. Berry, Gordon C. Calhoun, and the law firm of Lewis, D'Amato, Brisbois & Bisgaard, attorneys for defendant Uwe Geertz in the case of Church of Scientology International v. Steven Fishman and Uwe Geertz, United States District Court for the Central District of California, Case No. CV 91-6426 HLH (Tx). The declaration consists of a 14-page

discussion of his claimed experiences with and concerning plaintiff.

109. In his February 22, 1994 declaration, Armstrong also purports to authenticate a document which he titles "Find a Better Basket," and which he claims is both a literary work and a declaration. Armstrong further claims that "Find a Better Basket" describes some of his alleged experiences with and concerning plaintiff.

110. These actions and disclosures are violations of paragraphs 7(G), 7(H) and 10 of the Agreement, requiring that Armstrong pay to CSI $50,000 in liquidated damages.

111. As a direct and proximate result of Armstrong's breach of the Agreement by providing voluntary assistance to Berry and Calhoun in the Fishman case, plaintiff has incurred additional damages which are not presently calculable. In no event, however, are they less than the jurisdictional minimum of this Court. Consequently, for this breach plaintiff also seeks compensatory and consequential damages according to proof.

TWENTIETH CAUSE OF ACTION

(Against All Defendants for Injunctive Relief)

112. Plaintiff realleges paragraphs 1-19, 21-28, 30-34, 36-38, 40-41, 47-48, 50-56, 58-59, 61-65, 67-69, 71-73, 75-79, 81-85, 87-89, 91-92, 94-95, 97-98, 100-106 and 108-111, inclusive, and incorporates them herein by reference.

113. On or about April 28, 1993, plaintiff learned that Armstrong intended to appear that day on radio station KFAX and disclose his claimed experiences with Scientology. Plaintiff's counsel, Laurie Bartilson, faxed a letter to Armstrong and his

attorney, informing him that plaintiff would consider any such appearance to be a violation of the Agreement, and would subject Armstrong to the liquidated damages provision contained therein. In response, Armstrong sent a letter to Ms. Bartilson which stated, inter alia,

> Your threat that you will subject me to the liquidated damages provision of the settlement agreement for appearing on KFAX is obscene. Even its inclusion in the settlement agreement; that is $50,000.00 per word I write or speak about your organization is obscene....

In addition, Armstrong asserted that settlement agreements were an "antisocial policy" of plaintiff. He stated that he would not stop making media appearances and speeches, and that he had more planned for the near future if plaintiff did not immediately accede to his demands:

> I expect to be doing various media appearances in the near future and talks to various groups, including one I have already agreed to with a university psychology class. I think it would be very beneficial, therefore, to resolve our differences as soon as possible by your organization's clear repudiation of its antisocial policies and practices, so that I can have good things to report at these talks.

114. In or about June, 1993, Armstrong made good his threats, and gave an interview to a reporter(s) from Newsweek magazine, as described in paragraph 94, supra.

115. On July 2, 1993, again making good his threats, Armstrong appeared in Los Angeles, California at the Los Angeles Superior Court. He attended a hearing in the Wollersheim II case, and afterwards gave an interview to a reporter who claimed to be "working on a story," but refused to identify himself.

116. In or about August, 1993, Armstrong gave an interview to reporters from Entertainment Television, as described in

paragraph 97, supra.

117. In or about August, 1993, Armstrong delivered to Entertainment Television a motion picture "treatment" concerning his experiences in and concerning Scientology, and told reporters for Entertainment Television that he was trying to "sell" the treatment, and have his claimed experiences portrayed in a motion picture.

118. In his February 22, 1994 declaration, which Armstrong provided to attorneys for litigant Uwe Geertz, Armstrong purported to authenticate a document which he titles "Find a Better Basket." Armstrong further claims that "Find a Better Basket" supposedly describes some of his alleged experiences with and concerning plaintiff is the treatment for a screenplay which he hopes to sell.

119. As described in paragraphs 100-103, supra, Armstrong has, in concert with others, created a computer bulletin board which has as its purpose facilitating continuous breaches of the Agreement by electronic means.

120. As a direct and proximate result of Armstrong's breach of the Agreement by disclosing his experiences, by making media appearances, by repeatedly providing assistance to litigants, would-be claimants and their attorneys, and by creating and operating FACTI, which breaches are persistent and continuing, CSI is and will continue to be irreparably harmed, and unless Armstrong and those acting in concert with him are preliminarily and permanently enjoined from continuing that unlawful conduct, further irreparable harm will be caused to CSI.

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ON THE FIRST CAUSE OF ACTION

1. For compensatory and consequential damages according to proof.

2. For attorneys' fees and costs of suit.

ON THE SECOND CAUSE OF ACTION

1. For liquidated damages in the amount of $50,000.

2. For attorneys' fees and costs of suit.

ON THE THIRD CAUSE OF ACTION

1. For compensatory and consequential damages according to proof.

2. For attorneys' fees and costs of suit.

ON THE FOURTH CAUSE OF ACTION

1. For liquidated damages in the amount of $50,000.

2. For attorneys' fees and costs of suit.

ON THE FIFTH CAUSE OF ACTION

1. For liquidated damages in the amount of $50,000.

2. For compensatory and consequential damages according to proof.

3. For attorneys' fees and costs of suit.

ON THE SIXTH CAUSE OF ACTION

1. For liquidated damages in the amount of $50,000.

2. For attorneys' fees and costs of suit.

ON THE SEVENTH CAUSE OF ACTION

1. For liquidated damages in the amount of $250,000.

2. For attorneys' fees and costs of suit.

ON THE EIGHTH CAUSE OF ACTION

1. For liquidated damages in the amount of $50,000.

2. For attorneys' fees and costs of suit.

ON THE NINTH CAUSE OF ACTION

1. For compensatory and consequential damages according to proof.
2. For liquidated damages in the amount of $50,000.
3. For attorneys' fees and costs of suit.

ON THE TENTH CAUSE OF ACTION

1. For compensatory and consequential damages according to proof.
2. For attorneys' fees and costs of suit.

ON THE ELEVENTH CAUSE OF ACTION

1. For compensatory and consequential damages according to proof.
2. For liquidated damages in the amount of $50,000.
3. For attorneys' fees and costs of suit.

ON THE TWELFTH CAUSE OF ACTION

1. For compensatory and consequential damages according to proof.
2. For attorneys' fees and costs of suit.

ON THE THIRTEENTH CAUSE OF ACTION

1. For liquidated damages of $150,000, and further liquidated damages according to proof.
2. For attorneys' fees and costs of suit.

ON THE FOURTEENTH CAUSE OF ACTION

1. For liquidated damages in the amount of $950,000.
2. For attorneys' fees and costs of suit.

ON THE FIFTEENTH CAUSE OF ACTION

1. For liquidated damages in the amount of $50,000.
2. For attorneys' fees and costs of suit.

ON THE SIXTEENTH CAUSE OF ACTION

1. For liquidated damages in the amount of $50,000.
2. For attorneys' fees and costs of suit.

ON THE SEVENTEENTH CAUSE OF ACTION

1. For liquidated damages in the amount of $50,000.
2. For attorneys' fees and costs of suit.

ON THE EIGHTEENTH CAUSE OF ACTION

1. For compensatory and consequential damages according to proof.
2. For attorneys' fees and costs of suit.

ON THE NINETEENTH CAUSE OF ACTION

1. For liquidated damages in the amount of $50,000.
2. For compensatory and consequential damages according to proof.
3. For attorneys' fees and costs of suit.

ON THE TWENTIETH CAUSE OF ACTION

1. For a preliminary and permanent injunction prohibiting and restraining all defendants, including Armstrong, from violating any of the provisions of the Agreement, including the provisions of paragraphs 7(D), 7(E), 7(G), 7(H) and 18(D).

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ON ALL CAUSES OF ACTION

1. For such other and further relief as the Court may deem just and proper.

DATED: April 4, 1994

BOWLES & MOXON

By: Laurie J. Bartilson

Andrew H. Wilson
WILSON, RYAN & CAMPILONGO

Attorneys for Plaintiff
CHURCH OF SCIENTOLOGY
INTERNATIONAL

H:\ARMSTRON\NEWCOMP

VERIFICATION

I, LYNN R. FARNY, declare as follows:

I am Secretary of the Plaintiff, Church of Scientology International, in the above-entitled matter. I have read the foregoing Verified Second Amended Complaint for Damages and for Preliminary and Permanent Injunctive Relief for Breach of Contract and know the contents thereof, which are true of my own knowledge except as to those matters which are stated on information and belief, and as to those matters, I believe them to be true.

I declare under the penalty of perjury pursuant to the laws of the State of California that the foregoing is true and correct.

Executed on April 4, 1994, at Los Angeles, California.

LYNN R. FARNY

EXHIBIT A

MUTUAL RELEASE OF ALL CLAIMS AND SETTLEMENT AGREEMENT

1. This Mutual Release of All Claims and Settlement Agreement is made between Church of Scientology International (hereinafter "CSI") and Gerald Armstrong, (hereinafter "Plaintiff") Cross-Complainant in Gerald Armstrong v. Church of Scientology of California, Los Angeles Superior Court, Case No. 420 153. By this Agreement, Plaintiff hereby specifically waives and releases all claims he has or may have from the beginning of time to and including this date, including all causes of action of every kind and nature, known or unknown for acts and/or omissions against the officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel of CSI as well as the Church of Scientology of California, its officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel; Religious Technology Center, its officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel; all Scientology and Scientology affiliated organizations and entities and their officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel; Author Services, Inc., its officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel; L. Ron Hubbard, his heirs, beneficiaries, Estate and its executor; Author's Family Trust, its beneficiaries and its trustee; and Mary Sue Hubbard, (all hereinafter collectively referred to as the

EXHIBIT A

"Releasees"). The parties to this Agreement hereby agree as follows:

2. It is understood that this settlement is a compromise of doubtful and disputed claims, and that any payment is not to be construed, and is not intended, as an admission of liability on the part of any party to this Agreement, specifically, the Releasees, by whom liability has been and continues to be expressly denied. In executing this settlement Agreement, Plaintiff acknowledges that he has released the organizations, individuals and entities listed in the above paragraph, in addition to those defendants actually named in the above lawsuit, because among other reasons, they are third party beneficiaries of this Agreement.

3. Plaintiff has received payment of a certain monetary sum which is a portion of a total sum of money paid to his attorney, Michael J. Flynn. The total sum paid to Mr. Flynn is to settle all of the claims of Mr. Flynn's clients. Plaintiff's portion of said sum has been mutually agreed upon by Plaintiff and Michael J. Flynn. Plaintiff's signature below this paragraph acknowledges that Plaintiff is completely satisfied with the monetary consideration negotiated with and received by Michael J. Flynn. Plaintiff acknowledges that there has been a block settlement between Plaintiff's attorney, Michael J. Flynn, and the Church of Scientology and Churches and entities related to the Church of Scientology, concerning all of Mr. Flynn's clients who were in litigation with any Church of Scientology or related entity. Plaintiff has received a portion of this block.

amount, the receipt of which he hereby acknowledges. Plaintiff understands that this amount is only a portion of the block settlement amount. The exact settlement sum received by Plaintiff is known only to Plaintiff and his attorney, Michael J. Flynn, and it is their wish that this remain so and that this amount remain confidential.

Signature line for Gerald Armstrong

4. For and in consideration of the above described consideration, the mutual covenants, conditions and release contained herein, Plaintiff does hereby release, acquit and forever discharge, for himself, his heirs, successors, executors, administrators and assigns, the Releasees, including Church of Scientology of California, Church of Scientology International, Religious Technology Center, all Scientology and Scientology affiliated organizations and entities, Author Services, Inc. (and for each organization or entity, its officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel); L. Ron Hubbard, his heirs, beneficiaries, Estate and its executor; Author's Family Trust, its beneficiaries and trustee; and Mary Sue Hubbard, and each of them, of and from any and all claims, including, but not limited to, any claims or causes of action entitled Gerald Armstrong v. Church of Scientology of California, Los Angeles Superior Court, Case No. 420 153 and all demands, damages, actions and causes of actions of every kind and nature, known or unknown,

for or because of any act or omission allegedly done by the Releasees, from the beginning of time to and including the date hereof. Therefore, Plaintiff does hereby authorize and direct his counsel to dismiss with prejudice his claims now pending in the above referenced action. The parties hereto will execute and cause to be filed a joint stipulation of dismissal in the form of the one attached hereto as Exhibit "A".

A. It is expressly understood by Plaintiff that this release and all of the terms thereof do not apply to the action brought by the Church of Scientology against Plaintiff for Conversion, Fraud and other causes of action, which action has already gone to trial and is presently pending before the Second District, Third Division of the California Appellate Court (Appeal No. B005912). The disposition of those claims are controlled by the provisions of the following paragraph hereinafter.

B. As of the date this settlement Agreement is executed, there is currently an appeal pending before the California Court of Appeal, Second Appellate District, Division 3, arising out of the above referenced action delineated as Appeal No. B005912. It is understood that this appeal arises out of the Church of Scientology's complaint against Plaintiff which is not settled herein. This appeal shall be maintained notwithstanding this Agreement. Plaintiff agrees to waive any rights he may have to take any further appeals from any decision eventually reached by the Court of Appeal or any rights he may have to oppose (by responding brief or any other means) any further appeals taken by the Church of

Scientology of California. The Church of Scientology of California shall have the right to file any further appeals it deems necessary.

5. For and in consideration of the mutual covenants, conditions and release contained herein, and Plaintiff dismissing with prejudice the action Gerald Armstrong v. Church of Scientology of California, Los Angeles Superior Court, Case No. 420 153, the Church of Scientology of California does hereby release, acquit and forever discharge for itself, successors and assigns, Gerald Armstrong, his agents, representatives, heirs, successors, assigns, legal counsel and estate and each of them, of and from any and all claims, causes of action, demands, damages and actions of every kind and nature, known or unknown, for or because of any act or omission allegedly done by Gerald Armstrong from the beginning of time to and including the date hereof.

6. In executing this Agreement, the parties hereto, and each of them, agree to and do hereby waive and relinquish all rights and benefits afforded under the provisions of Section 1542 of the Civil Code of the State of California, which provides as follows:

> "A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

7. Further, the undersigned hereby agree to the following:

A. The liability for all claims is expressly denied by the parties herein released, and this final compromise and settlement thereof shall never be treated as an admission of liability or responsibility at any time for any purpose.

B. Plaintiff has been fully advised and understands that the alleged injuries sustained by him are of such character that the full extent and type of injuries may not be known at the date hereof, and it is further understood that said alleged injuries, whether known or unknown at the date hereof, might possibly become progressively worse and that as a result, further damages may be sustained by Plaintiff; nevertheless, Plaintiff desires by this document to forever and fully release the Releasees. Plaintiff understands that by the execution of this release no further claims arising out of his experience with, or actions by, the Releasees, from the beginning of time to and including the date hereof, which may now exist or which may exist in the future may ever be asserted by him or on his behalf, against the Releasees.

C. Plaintiff agrees to assume responsibility for the payment of any attorney fee, lien or liens, imposed against him past, present, or future, known or unknown, by any person, firm, corporation or governmental entity or agency as a result of, or growing out of any of the matters referred to in this release. Plaintiff further agrees to hold harmless the parties herein released, and each of them, of and from any liability arising therefrom.

D. Plaintiff agrees never to create or publish or attempt to publish, and/or assist another to create for publication by means of magazine, article, book or other similar form, y writing or to broadcast r to assist another to create, write, film or video tape or audio tape any show, program or movie, or to grant interviews or discuss with others, concerning their experiences with the Church of Scientology, or concerning their personal or indirectly acquired knowledge or information concerning the Church of Scientology, L. Ron Hubbard or any of the organizations, individuals and entities listed in Paragraph 1 above. Plaintiff further agrees that he will maintain strict confidentiality and silence with respect to his experiences with the Church of Scientology and any knowledge or information he may have concerning the Church of Scientology, L. Ron Hubbard, or any of the organizations, individuals and entities listed in Paragraph 1 above. Plaintiff expressly understands that the non-disclosure provisions of this subparagraph shall apply, inter alia, but not be limited, to the contents or substance of his complaint on file in the action referred to in Paragraph 1 hereinabove or any documents as defined in Appendix "A" to this Agreement, including but not limited to any tapes, films, photographs, recastings, variations or copies of any such materials which concern or relate to the religion of Scientology, L. Ron Hubbard, or any of the organizations, individuals, or entities listed in Paragraph 1 above. The attorneys for Plaintiff, subject to the ethical limitations restraining them as promulgated by the state or federal regulatory associations or agencies, agree not to disclose any of the terms and conditions of the settlement negotiations, amount of the settlement, or statements made by either rty during settlement conferences. Plaintiff agrees that if the terms of this paragraph are breached by him, that CSI and the other Releasees would be entitled to liquidated damages in the amount of $50,000 for each such breach. All monies received to induce or in payment for a breach of this Agreement, or any part thereof, shall be held in a constructive trust pending the outcome of any litigation over said breach. The amount of liquidated damages herein is an estimate of the damages that each party would suffer in the event this Agreement is breached. The reasonableness of the amount of such damages are hereto acknowledged by Plaintiff.

E. With exception to the items specified in Paragraph 7(L), Plaintiff agrees to return to the Church of Scientology International at the time of the consummation of this Agreement, all materials in his possession, custody or control (or within the possession, custody or control of his attorney, as well as third parties who are in possession of the described documents), of any nature, including originals and all copies or summaries of documents defined in Appendix "A" to this Agreement, including but not limited to any tapes, computer disks, films, photographs, recastings, variations or copies of any such materials which concern or relate to the religion of Scientology, L. Ron Hubbard or any of the organizations, individuals or entities listed in Paragraph 1 above, all evidence of any nature, including evidence obtained from the named defendants through discovery, acquired for the purposes of this lawsuit or any lawsuit, or acquired for any other purpose concerning any Church of Scientology, any financial or administrative materials concerning any Church of Scientology, and any materials relating personally to L. Ron Hubbard, his family, or his estate. In addition to the documents and other items to be returned to the Church of Scientology International listed above and in Appendix "A", Plaintiff agrees to return the following:

(a) All originals and copies of the manuscript for the work "Excalibur" written by L. Ron Hubbard;

(b) All originals and copies of documents commonly known as the "Affirmations" written by L. Ron Hubbard; and

(c) All documents and other items surrendered to the Court by Plaintiff and his attorneys pursuant to Judge Cole's orders of August 24, 1982 and September 4, 1982 and all documents and other items taken by the Plaintiff from either the Church of Scientology or Omar Garrison. This includes all documents and items entered into evidence or marked for identification in Church of Scientology of California v. Gerald Armstrong, Case No. C 420 153. Plaintiff and his attorney will execute a Joint Stipulation or such other documents as are necessary to obtain these documents from the Court. In the event any documents or other items are no longer in the custody or control of the Los Angeles Superior Court, Plaintiff and his counsel will assist the Church in recovering these documents as quickly as possible, including but not limited to those tapes and other documents now in the possession of the United States District Court in the case of United States v. Zolin, Case No. CV

85-0440-HLH(, presently on appeal in e Ninth Circuit Court of Appeals. In the event any of these documents are currently lodged with the Court of Appeal, Plaintiff and his attorneys will cooperate in recovering those documents as soon as the Court of Appeal issues a decision on the pending appeal.

To the extent that Plaintiff does not possess or control documents within categories A-C above, Plaintiff recognizes his continuing duty to return to CSI any and all documents that fall within categories A-C above which do in the future come into his possession or control.

F. Plaintiff agrees that he will never again seek or obtain spiritual counselling or training or any other service from any Church of Scientology, Scientologist, Dianetics or Scientology auditor, Scientology minister, Mission of Scientology, Scientology organization or Scientology affiliated organization.

G. Plaintiff agrees that he will not voluntarily assist or cooperate with any person adverse to Scientology in any proceeding against any of the Scientology organizations, individuals, or entities listed in Paragraph 1 above. Plaintiff also agrees that he will not cooperate in any manner with any organizations aligned against Scientology.

H. Plaintiff agrees not to testify or otherwise participate in any other judicial, administrative or legislative proceeding adverse to Scientology or any of the Scientology Churches, individuals or entities listed in Paragraph 1 above unless compelled to do so by lawful subpoena or other lawful process. Plaintiff shall not make himself amenable to service of any such subpoena in a manner which invalidates the intent of this provision. Unless required to do so by such subpoena, Plaintiff agrees not to discuss this litigation or his experiences with and knowledge of the Church with anyone other than members of his immediate family. As provided hereinafter in Paragraph 18(d), the contents of this Agreement may not be disclosed.

I. The parties hereto agree that in the event of any future litigation between Plaintiff and any of the organizations, individuals or entities listed in Paragraph 1 above, that any past action or activity, either alleged in this lawsuit or activity similar in fact to the evidence that was developed during the course of this lawsuit, will not be used by either party against the other in any future litigation. In other words, the "slate" is wiped clean concerning past actions by any party.

J. It is expressly understood and agreed by Plaintiff that any dispute between Plaintiff and his counsel as to the proper division of the sum paid to Plaintiff by his attorney of record is between Plaintiff and his attorney of record and shall in no way affect the validity of this Mutual Release of All Claims and Settlement Agreement.

K. Plaintiff hereby acknowledges and affirms that he is not under the influence of any drug, narcotic, alcohol or other mind-influencing substance, condition or ailment such that his ability to fully understand the meaning of this Agreement and the significance thereof is adversely affected.

L. Notwithstanding the provisions of Paragraph 7(E) above, Plaintiff shall be entitled to retain any artwork created by him which concerns or relates to the religion of Scientology, L. Ron Hubbard or any of the organizations, individuals or entities listed in Paragraph 1 above provided that such artwork never be disclosed either directly or indirectly, to anyone. In the event of a disclosure in breach of this Paragraph 7(L), Plaintiff shall be subject to the liquidated damages and constructive trust provisions of Paragraph 7(D) for each such breach.

8. Plaintiff further agrees that he waives and relinquishes any right or claim arising out of the conduct of any defendant in this case to date, including any of the organizations, individuals or entities as set forth in Paragraph 1 above, and the named defendants waive and relinquish any right or claim arising out of the conduct of Plaintiff to date.

9. This Mutual Release of All Claims and Settlement Agreement contains the entire agreement between the parties hereto, and the terms of this Agreement are contractual and not a mere recital. This Agreement may be amended only by a written instrument executed by Plaintiff and CSI. The parties hereto have carefully read and understand the contents of this Mutual Release of All Claims and Settlement Agreement and sign the same of their own free will, and it is the intention of the parties to be legally bound hereby. No other prior or contemporaneous agreements, oral or written, respecting such matters, which are not specifically

incorporated herein shall be deemed to in any way exist or bind any of the parties hereto.

10. Plaintiff agrees that he will not assist or advise anyone, including individuals, partnerships, associations, corporations, or governmental agencies contemplating any claim or engaged in litigation or involved in or contemplating any activity adverse to the interests of any entity or class of persons listed above in Paragraph 1 of this Agreement.

11. The parties to this Agreement acknowledge the following:

A. That all parties enter into this Agreement freely, voluntarily, knowingly and willingly, without any threats, intimidation or pressure of any kind whatsoever and voluntarily execute this Agreement of their own free will;

B. That all parties have conducted sufficient deliberation and investigation, either personally or through other sources of their own choosing, and have obtained advice of counsel regarding the terms and conditions set forth herein, so that they may intelligently exercise their own judgment in deciding whether or not to execute this Agreement; and

C. That all parties have carefully read this Agreement and understand the contents thereof and that each reference in this Agreement to any party includes successors, assigns, principals, agents and employees thereof.

12. Each party shall bear its respective costs with respect to the negotiation and drafting of this Agreement and

all acts required by the terms hereof to be undertaken and performed by that party.

13. To the extent that this Agreement inures to the benefit of persons or entities not signatories hereto, this Agreement is hereby declared to be made for their respective benefits and uses.

14. The parties shall execute and deliver all documents and perform all further acts that may be reasonably necessary to effectuate the provisions of this Agreement.

15. This Agreement shall not be construed against the party preparing it, but shall be construed as if both parties prepared this Agreement. This Agreement shall be construed and enforced in accordance with the laws of the State of California.

16. In the event any provision hereof be unenforceable, such provision shall not affect the enforceability of any other provision hereof.

17. All references to the plural shall include the singular and all references to the singular shall include the plural. All references to gender shall include both the masculine and feminine.

18.(A) Each party warrants that they have received independent legal advice from their attorneys with respect to the advisability of making the settlement provided for herein and in executing this Agreement.

(B) The parties hereto (including any officer, agent, employee, representative or attorney of or for any party) acknowledge that they have not made any statement, representation or promise to the other party regarding any fact material to this Agreement except as expressly set forth herein. Furthermore, except as expressly stated in this Agreement, the parties in executing this Agreement do not rely upon any statement, representation or promise by the other party (or of any officer, agent, employee, representative or attorney for the other party).

(C) The persons signing this Agreement have the full right and authority to enter into this Agreement on behalf of the parties for whom they are signing.

(D) The parties hereto and their respective attorneys each agree not to disclose the contents of this executed Agreement. Nothing herein shall be construed to prevent any party hereto or his respective attorney from stating that this civil action has been settled in its entirety.

(E) The parties further agree to forbear and refrain from doing any act or exercising any right, whether existing now or in the future, which act or exercise is inconsistent with this Agreement.

19. Plaintiff has been fully advised by his counsel as to the contents of this document and each provision hereof. Plaintiff hereby authorizes and directs his counsel to dismiss with prejudice his claims now pending in the action entitled Gerald Armstrong v. Church of Scientology of California, Los Angeles Superior Court, Case No. 420 153.

20. Notwithstanding the dismissal of the lawsuit pursuant to Paragraph 4 of this Agreement, the parties hereto agree that the Los Angeles Superior Court shall retain

jurisdiction to enforce the terms of this Agreement. This Agreement may be enforced by any legal or equitable remedy, including but not limited to injunctive relief or declaratory judgment where appropriate. In the event any party to this Agreement institutes any action to preserve, to protect or to enforce any right or benefit created hereunder, the prevailing party in any such action shall be entitled to the costs of suit and reasonable attorney's fees.

21. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be a duplicate original, but all of which, together, shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, on the date opposite their names.

Dated: December 6, 1986

GERALD ARMSTRONG

Witness

Witness

Dated: 12/6/86

APPROVED AS TO FORM AND CONTENT:

M. J. Flynn
MICHAEL J. FLYNN
Attorney for
GERALD ARMSTRONG

Dated: December 11, 1986

for
CHURCH OF SCIENTOLOGY
INTERNATIONAL

APPENDIX A

1. As used herein, the term "document" or "documents" include but are not limited to all originals, file copies and copies not identical to the original, no matter how prepared, of all writings, papers, notes, records, books and other tangible things including, by way of example and not of limitation, the following:

a. Memoranda, notes, calendars, appointment books, shorthand or stenographer's notebooks, correspondence, letters and telegrams, whether received, sent, filed or maintained internally;

b. Drafts and notes, whether typed, penciled or otherwise, whether or not used;

c. Minutes, reports and summaries of meetings;

d. Contracts, agreements, understandings, commitments, proposals and other business dealings;

e. Recordings, transcriptions and memoranda or notes made of any telephone or face-to-face oral conversations between or among persons;

f. Dictated tapes or other sound recordings;

g. Computer printouts or reports and the applicable program or programs therefor;

h. Tapes, cards or any other means by which data are stored or preserved electrically, electronically, magnetically or mechanically, and the applicable program or program therefor (from which plaintiff may reproduce or cause to be reproduced such data in written form);

i. Pictures, drawings, photographs, charts or other graphic representations;

j. Checks, bills, notes, receipts, or other evidence of payment;

k. Ledgers, journals, financial statements, accounting records, operating statements, balance sheets and statements of account.

EXHIBIT B

WHERE: Marin Superior Court, San Rafael Civic Center - Scientology vs. Armstrong No. 152229

March 20, 1992 at 9:00 a.m., Department 4.

* * * * * *

Can the Scientology Organization purchase the free speech rights of Gerald Armstrong - the former in-house biography researcher/archivist of cult leader L. Ron Hubbard - so that it can keep the facts that he knows out of public view in the marketplace of ideas?

A former high-ranking Scientologist for 12 years, Armstrong split with the group when it insisted he continue lying about the accomplishments Hubbard claimed to the public at large. In 1982, the organization sued Armstrong for sending Hubbard documents to his lawyers. In 1984 at Armstrong's trial, Los Angeles Superior Court judge Paul G. Breckenridge, Jr., who ruled that Armstrong's actions had been manifestly justified, also found:

> "In addition to violating and abusing its own members civil rights, the organization over the years with its "Fair Game" doctrine has harassed and abused those persons not in the Church whom it perceives as enemies. The organization is clearly schizophrenic and paranoid, and this bizarre combination seems to be a reflection of its founder LRH [L. Ron Hubbard]. The evidence portrays a man who has been virtually a pathological liar when it comes to his history, background, and achievements. The writings and documents in evidence additionally reflect his egoism, greed, avarice, lust for power, and vindictiveness and aggressiveness against persons perceived by him to be disloyal or hostile."

For years, Scientology has treated Armstrong as a "suppressive person" who was "Fair Game." This policy says as Fair Game one

> "may be deprived of property or injured by any means by any Scientologist without any discipline of the Scientologist. May be tricked, sued or lied to or destroyed."

Defended by Ford Greene - the lawyer who persuaded the California Supreme Court that the Unification Church (Moonies) should be liable for brainwashing and who won an acquittal for a felonious-charged deprogrammer on the ground that the kidnapping was necessary to avoid cult-danger - Armstrong is resisting Scientology's high-powered attack in an effort to affirm his right to free speech to maintain vigilance for the truth.

After Armstrong beat Scientology's lawsuit against him in 1984, he was poised to prosecute his own claims. For millions of dollars, however, in 1986 Scientology settled with him and over 17 other Scientology-knowledgeable individuals on the condition that those persons would forever keep silent, avoid giving sworn testimony by evading subpoenas, and never aid or assist any one adverse to Scientology.

Between its full-page daily ads in U.S.A. Today and purchasing the silence of judicially-credible adversaries, Scientology's strategy is to eliminate the competition in the marketplace of ideas for those who would swallow the claims of its widespread advertisements for the benefits of Dianetics: The Science of Metal Health.

Scientology has demanded that newly-elevated Marin County Superior Court Judge Michael Dufficy give them a preliminary injunction which would prevent Armstrong from speaking out and assisting other individuals locked in litigation with Scientology - while at the same time fabricating false scenarios in other court proceedings that Armstrong was an agent of the IRS out to destroy it. If Scientology has its way, Armstrong would either roll over, or if he exposed its lies about him, Scientology would demand he be jailed for contempt of court.

When Scientology first came to Marin County to go after Armstrong, it asked the Court to conduct all proceedings in secret in closed proceedings. The Court refused. Then Scientology asked the Court to seal the settlement agreement that Scientology wants the Court to enforce. The Court refused. Now, Scientology has obtained a temporary restraining order compelling Armstrong not to speak out on the subject of Scientology. Scientology would like to make it permanent and will attempt to do just that at the March 20th Marin Superior Court hearing.

FOR FURTHER INFORMATION CALL:

KIRK SEIDEL, Press Liaison
(415) 457-5711

FORD GREENE (415) 258-0360

EXHIBIT C

[SHOT: Studio setting]

NARRATOR: A former member of the Church of Scientology claims he has damaging information about the organization, but he's being silenced by a Court Order. Don Nab explains.

[CNN CAPTION: SCIENTOLOGY.]

[SHOT: Close up of Armstrong with Ford Greene behind him. Then a pan of the courtroom, with attorney Andy Wilson arguing and a shot of the Judge.]

Don Nab: Gerald Armstrong says he knows a lot about the Church of Scientology and he's fighting in court for the chance to tell it. A former archivist of the organization he had first hand access to records of Scientology's controversial founder, L. Ron Hubbard.

[SHOT: Close up of Armstrong in an office. Don Nab narrating]

Gerald Armstrong: I'm an expert in the misrepresentations Hubbard has made about himself from the beginning of Dianetics until the day he died.

Don Nab: But that's about all that he can say,legally. The Church of Scientology slapped Armstrong with a Court Order to prevent him from talking about what he may know.

[SHOT: Excerpt of Video tape of 1986 settlement signing.]

Heller: You are going to sign this of your own free will.

Armstrong: Yes.

[CNN caption: December 1986.]

Heller: OK. You're not suffering from any duress or coersion which is compelling you to sign this document.

[CNN CAPTION: Video provided by Anti-Scientology Attorney.]

Armstrong: No.

Heller: Alright, ...

Don Nab: As part of the lawsuit settlement documented by Scientology on this video tape, the Church paid Armstrong $800,000. In that settlement Armstrong agreed not talk about the Church, it's documents, or its founder.

[1ST SHOT: Wilson and Hertzberg sitting at counsel table.]
[2ND SHOT: Greene arguing at counsel table.]

Don Nab: Now, the Church of Scientology wants to block Armstrong from working with anti-Scientology attorney, Ford Greene.

Ford Greene: Gerald Armstrong possesses information about the Church of Scientology on first-hand basis that undercuts a lot of the claims that they make to the public on a daily basis in advertisements on TV and advertisements in newspapers.

[CNN CAPTION: Ford Greene, Anti-Scientology Attorney.]

[SHOT: Bartilson at counsel table with a stack of papers.]

Don Nab: Greene hired Armstrong as a paralegal, to help him with a lawsuit against Scientology in Los Angeles.

[SHOT: Wilson arguing at counsel table.]

Don Nab: Attorneys for the Church of Scientology claimed that Armstrong was breaking his settlement contract.

Andy Wilson: $800,000. $800,000 was paid to that man. And now that he's spent the money, he comes into this court and he says, "I don't have to keep my part of the bargain."

[CNN CAPTION: Andrew Wilson, Scientology Attorney.]

[SHOT: Judge Dufficy at Bench.]

Don Nab: Scientology won this round. The gag on Armstrong remains, for now.

[SHOT: Close up of Armstrong at counsel table.]

Don Nab: Armstrong is not alone. 12 former Scientology members have accepted money to settle lawsuits with the Church.

[SHOT: Pleading packs on counsel table.]

Don Nab: The settlements included, promises to remain quiet and take no part in further litigation against the Church.

[SHOT: Greene in law office.]

Ford Greene: It'll be extremely damaging because Scientology has spent a whole ton of dough, on keeping not only Gerry silent but a lot of other people silent. And if Gerry's case unravels, it's the first domino, and all the rest of them are going to unravel ...

[SHOT: Green in law office with interviewer.]

Don Nab: Attorney Greene says, Armstrong's knowledge of Scientology can prove the Church is not what it says it is.

[SHOT: Outside of the Courtroom. Armstrong and Phippeny prominent.]

Don Nab: Scientology says, Armstrong accepted a lot of money not to discuss the Church and should keep his word. Don Nab, CNN, San Raphael, California.

EXHIBIT D

GERRY AR TRONG VIDEO INTERVIEW 6 N MBER 1992

S = Spanky Taylor
G = Gerry Armstrong
J = Jerry Whitfield

S: We're here with Gerry Armstrong on the 6th of November 1992. Hi, Gerry.

G: Hi, Spanky.

S: Basically, what we're doing here is I want to find out a little bit about your Scientology experience, or, more than a little bit -- as much as we can, starting from when you got involved.

G: Ok.

S: So, tell me about that first.

G: I got involved in 1969 in Vancouver, British Columbia, Canada. And ... I spent a year and a half...

S: How old were you then?

G: Twenty-two. Spent about a year and a half in Vancouver. Worked in the local franchise, Scientology Little Mountain. And then in the beginning of '71 went off to save the world. Joined the Sea Org. Flew to LA. And was ... Signed my Sea Org contract at what was USLO. Then was on board the Bolivar, stationship down -- not exactly sure where it was...

S: San Pedro?

G: San Pedro, right. Then...

S: I loved the Bolivar.

G: And then by mid-February '71 was flown to New York, Madrid. Madrid took a train down to Algeciras. Algeciras across by ferry to Tangiers. There sitting in the Tangier harbor was the Apollo. I stayed on board except for brief missions off the ship or sometimes I'd go ashore for brief periods. But was on board 'til the fall of 1975. And we were, in those years, in Portugal, Morocco, Spain, and the little Atlantic islands -- Madeira, the Canarys, and then we made a circuit to the Caribbean islands -- Bermuda, Bahamas, Jamaica, Trinidad, Barbados, Netherlands Antilles.

S: Sounds like a Beach Boys saga. (Laughter) And you knew LRH?

G: Uh huh.

S: You married, your first marriage was... you married on Flag.

G: Yeah. I married his head messenger. Terry Gillham. Young Terry. She was a pretty good catch.

S: She was. She was.

G: I was organizationally a social climber. I really was. It just worked out that way, you know, I was in the right place at the right time I guess.

S: You had quite the wedding. I remember the photos very well.

G: Yeah? Yeah, I had a big double wedding along with Pat and Trudy Broeker.

S: That's right.

G: And through most of my time on board the ship I was the Legal Officer. We called it the Ship's Representative. I dealt with Immigration, Customs, and the Police and Harbor Master and handled all the needs of the ship while in port. And then I was the Public Relation's Officer Port Captain for a period of time. And then I was the Intelligence Officer through our time in the Caribbean. And when we went ashore, landed in Daytona, I was the Intelligence Officer again at the staging area for the Clearwater base which we had in Daytona at that time.

J: What's an Intelligence Officer?

G: Well...

S: It's a

G: ...they were talking about...

S: ... jumbo shrimp, what are those things called oxymorons?

G: Espionage. It's a Hubbard patterned -- his intelligence system, after Nazi system. Perfected, created, developed by Reinhardt Gehlen. And I was one person within a giant network of intelligence personnel operated by the Guardian's Office who were in turn operated by the Guardian, Mary Sue Hubbard, and L. Ron Hubbard. He merely directed on his long distance communication lines all the intelligence operations internationally.

J: What kind of intelligence operations -- we're talking about a church who has intelligence operations, a church with intelligence operations? Is that what you're saying? And you were there, you were involved in that? Is that what I'm hearing?

G: Right. Now I have a different perspective of course and I don't consider Scientology by any definition a "church" other than the fact that they have edifices -- buildings -- which could, if the activities therein were to change, could be churches. But the organization itself is not a church. But it's undeniable that it had intelligence organization and has been described as outside of the FBI and the CIA, the most formidable intelligence organization operating on the North American continent.

S: At this time, in the early times when you on the ship, you knew the offspring of L. Ron Hubbard. You knew his kids, as well?

G: Right.

S: Quentin and Diana, Arch and Suzette.

G: Right.

S: Tell me a little about them. I mean, you know, were they happy, were they well educated, were they ... because, of course, they were the offspring of this man with this tremendous wealth, did they receive the best of possible educations, did they lead a privileged life in terms of the...what was accessible to them in terms of in a society type of sense in terms of their education and their upbringing. Did they attend the finest finishing schools? Were they ... was Diana Hubbard a debutante. Do you know what I mean? Tell us about that.

G: I think she could have been a debutante but I don't think she was. I think that all the kids were pretty real in their own way, given the environment in which they found themselves and given the very odd circumstances of growing up in the Sea Organization. I suppose that the one I got closest to was Arthur. Arthur and I sort of ran tandem Sea Watch, or rather, gangway Quarter Master Watch for quite a period of time so I had the task of waking him up. He was pretty young at the time, maybe 13 or 14, I don't quite remember. It was always difficult waking him up and he would pull rank a little bit in that I didn't want to make too much noise waking him up in his cabin and there was always the threat that if you did anything out of line at all, Ron...

S: Son of Ron.

G: Son of Source.

S: Right, son of Source. Aauugh. That word.

G: But all of them, I was on Diana's Sea Watch and she was a good Conning Officer. I think that all of the kids were intelligent and I think that they were all decent, good people.

S: Happy? Unhappy?

G: I think both. You know, happy at times, unhappy at times.

S: Sort of normal then.

G: Pretty normal.

S: And Quentin?

G: Quentin, I think much the same thing. He probably was the oddest of the lot, relative to the Sea Org experience. But we got along fine. I always found him to be perhaps the most understanding, in a way, in almost as if he had ...

S: Sensitive?

G: Yeah, sensitive. compassionate. Didn't pull rank and wasn't threatening in any way.

S: So then you were at Daytona when the base was originally moved there.

G: Uh huh.

S: And from that point.

G: Then we moved to Dunedin. At that point I was busted from the Guardian's Office. I was in the Guardian's Office Intelligence Bureau. And Mary Sue or Nikki who was her communicator deemed me a security risk of some kind and so I was removed from the Guardian's Office and I was assigned to Hubbard's Communication Bureau. So I became what was called the Deputy LRH External Communications Aide when we moved to Dunedin which was in December of 1975 and we had a secret base for Hubbard and his personal staff and Mary Sue and her personal staff at Dunedin in an apartment complex I guess about maybe eight miles from Clearwater. And I stayed there until June of '76 at which time I was sent to Culver City here in Los Angeles to set up a staging area for what became the base that was built in La Quinta.

And I was only there for a brief amount of time. I was there to set up this unit along with three other messengers. And Hubbard arrived, Mary Sue Hubbard arrived, and then I had a fight with Nikki, and Hubbard then assigned me -- first I was taken out of that unit and I was kept locked up at the Intelligence Bureau in the Fifield Manor in Los Angeles.

J: You were locked up?

G: Right. I was kept under guard for a couple of weeks.

S: Which is where that Guardian's Office had moved to.

G: Right. The Intelligence Bureau of the G.O. was there. I was picked up by the D/Guardian for Intelligence Dick Weigand.

J: Isn't that falsely (sic) imprisonment. Isn't that illegal?

G: Yeah. It was clearly false imprisonment.

S: At this point do you feel much of what you had done had been illegal? On some level or another?

J: For Scientology.

G: Personally?

S: That you had done personally.

G: I clearly had been involved in some illegalities while... especially while I was on the ship. Smuggling things on and off and...

J: What kind of things? Money, drugs? Weapons?

G: We did move a lot of money around. Briefcases...

J: Go on.

G: Briefcases of money that were brought to the ship. Booze, cigarettes, that sort of stuff taken off the ship and run through Customs. And other things that were just done sort of borderline activities. But I was willing to do those sorts of things at that time and I considered that I was doing ...it was the greatest good for the greatest number.

S: When you were working in Intelligence did you ... were you involved with any "dirty tricks" against other Scientologists or other staff members?

G: I was aware of dirty tricks against staff members and I was aware of the way the Guardian's Office Intelligence Bureau worked to some degree because I had a lot of the policies. I had the Guardian's Office Intelligence hat, the Intelligence

Manual which trained people to lie and steal and create false identities and harrass the enemy.

J: Why would a church need to do that?

G: Well, a church doesn't need to do that, but Scientology's not a church.

J: Why would Scientology feel the need to be involved in that kind of activity?

G: Because Hubbard was afraid and his idea on dealing with enemies was to attack them. One of the ways that he attacked them was through covert means.

J: Why would a man as great as Hubbard who had THE technology to save the world, have to fear anyone?

G: Well, he didn't have the technology to save the world and he simply had fear because he had fear and he was never able to triumph over his fear, so he put his trust in attacking people as opposed to doing the rational things in life and he also had reason to fear because he had falsified his credentials, he had lied about his life and he was afraid of being exposed and he had also lied and cheated for many years. He knew that there were people around who knew what he really was.

S: Now how did you come to find this out?

J: Can I ask one question? Answer that but answer this one first because you've got me really interested. If Scientology could do what it says it could do, would you still be in it? If it had the technology to do what it says, would you still be in anything?

G: In answering that question you'd have to...if you assumed that if it could do what it says it could do it would have a different form from what it is, then the answer might be yes. But both things would have to be true. It would have to deliver and it would have to be different from its present form opposed from the form which I came to know and understand.

J: Thanks. That's what I wanted to know. Go ahead with Spanky. How did you find out this?

S: How did you come to know that in fact Hubbard had fabricated his credentials, had in fact developed this tremendous fear that he had of being found out, had this paranoia?

J: What credentials? What would he do when found out?

G: I guess the process of that discovery began when I first got involved with the Sea Organization. Of course I worked with the man for quite a period of time. I shot gnus with him in the desert after we left the ship. He twice assigned me to the RPF. I talked to many people about him. I read hundreds of thousands of his words. I listened to him and listened to his tapes so I had a great understanding before I ever came to the realization that what I'd been led to understand was false, but I needed that great understanding I think in order to know what the falsities were. But I was, I considered, quite fortunate in that in the beginning of 1980 and we then were in Gilman Hot Springs and there was a threat of a raid and we were required to go through...each person had to go through his...all papers in his area, whatever post he was on, and all personal papers, and destroy anything which showed Hubbard's control of the organization, anything which showed his intent to live at the Gilman Hot Springs' property, anything which showed his control of organization finances.

S: So now in January of '80 isn't that when, as far as the rest of the staff at the other organizations knew, L. Ron Hubbard went off the lines, so to speak, January '80 he was like... Did he in fact go off the line or was it just made to look like he went off the line at that point? Cause if what you're saying, if I'm following you correctly, do you know, there was this perception that he was now gone and had cut ties to the actual on-hands running of the organization.

G: Well, it's...part of that is true. There had been a gradual decrease, I would say, of his hands-on involvement, but even though he left from the location that he was at the beginning of 1980, he continued to run the organization. He just continued to run through a different conduit.

S: Now, so you went through the papers within your own specific area. Was this prior to your being assigned to the biography project?

G: No, this is what the biography project came out of. Because in the process of going through my things I was at that time responsible for the Household Unit at the Gilman Hot Springs property. One of my juniors was responsible for all of L. Ron Hubbard's stuff -- his personal effects which were stored at the Gilman property. She came to me with a box of very old materials, very old papers, and asked if they should be shredded. I looked through this stuff and saw that it all predated Dianetics so thought, it should be no risk whatsoever. It has nothing to do with his running the organization. So, I also saw that it had great historical value. And when we then began to look over inventories, began to go through his stuff we uncovered some 20 boxes of similar material. And I knew that this stuff, could form the basis for a library and was incredibly valuable for its history and just as original documents, and that it would form the basis for a biography. So, it was at that time that I petitioned Hubbard to be able to collect this stuff up to preserve it and to contract with an outside writer to do the biography.

He approved the petition in January '80. And then we communicated another couple of times before I then did not have what was that direct comm line to him, communication line. We could then no longer admit to a communication line to him. It still was there but we could not use it for fear of civil litigants or the government then being able to subpeona him.

S: As he was under a lot of legal threat.

G: Right.

S: Domestically, at that time, right?

G: Right.

J: Why would L. Ron Hubbard be under legal threat?

G: Because he controlled the organization.

J: What's wrong with that?

G: And because the organization was involved in criminal and tortious activities.

S: I think additionally the church had, was also under tremendous legal stress in terms of people who were filing suit against the church now for fraud. There were attempts made to name L. Ron Hubbard in a suit, to actually serve him or subpeona him which is when he sort of "poof."

G: Right.

S: Disappeared.

J: So he disappeared, he ran and hid.

G: Right.

J: So, hiding is pretty down on the tone scale.

S: So I hear, honey.

J: But that's what the great L. Ron Hubbard was doing. You were there and that's what you saw.

G: Yeah. I mean he did hide.

J: I'm not trying -- it's just very difficult, the reason I'm saying this, it's very difficult for somebody who's in Scientology to conceive that the great L. Ron Hubbard whom they've never met, but have only heard these wonderful things about, to even perceive or comprehend that this might have been ... might have occurred with this man. How can this man be human? He's not human. He was L. Ron Hubbard. The reason that we're doing this interview is so that other people can know. It's very easy for a non-Scientologist to understand those things. It's very difficult for a Scientologist because Scientologists don't get the type of information that non-Scientologists get. And yet you were there. You knew him. You worked with him for probably 15 years or so.

G: I was in the Sea Org for 11 years.

S: And Gerry, backing up a bit, you saw him as a fallible human being, am I correct?

G: Yeah.

S: I mean he had had illnesses.

G: Right.

S: A great many illnesses, a few illnesses?

G: Quite a few.

S: I know that he had these horrendous allergies which when we refer to them we would be heavily reprimanded and corrected and told they were not allergies they were sensitivities. (laughs) You know there was a brilliant way of sort of smoothing over things.

G: Right. Right. He continued to wear clothes when he was stark naked. Right.

S: Oh, yes. Yes, of course.

G: And we all did that in our own mind, and we all stopped ourselves from thinking critical thoughts of L. Ron Hubbard. We really didn't do him much of a favor because he really was human in every way.

S: Yes. Do you feel that the mindset of the group of -- all of the adoration that L. Ron Hubbard received, contributed to his delusion? Or do you feel that he imposed the delusion upon the group? Or do you think it's kind of 50/50?

G: There's no doubt that he was in control. And there's ... we did not control L. Ron Hubbard. And although he could have become the effect of his own lust for control, and his own greed and his own avarice, so he created his sycophants. And the effect of... often of what you create may not be that pleasant so he did create his own prison.

S: Ok. So now you contracted with Omar Garrison, am I correct, to do the writing of this book which you were researching?

G: Yeah, beginning in January, I collected up the materials from the Gilman Hot Springs property.

S: Several boxes of materials.

G: Right.

J: This was in '80 or '81?

G: '80, beginning of '80. And then shortly after that I moved them to Los Angeles and I began to add to them. I travelled around, travelled up and down the west coast and I bought collections, other people's collections of Hubbard materials. I interviewed a number of people, his other living relatives.

J: L. Ron Hubbard, Jr.?

G: Yeah.

J: His ex-wife?

S: Sarah Nordstrom. (sic)

G: No. No, I didn't talk to Sara. I talked to Sara after that project was over.

J: His daughter Alexis?

G: I spoke to her as well some time later. I spoke to his living aunt, living uncle.

J: That was his...

G: Yeah. It was good. Good. And they really saw him for what he was, as well. They knew him in a real manner. They knew that he was a big storyteller.

S: Now, at this time you're going around talking to these people and I presume verifying his various degrees and his education credentials, etc. And you're starting to see holes in these stories, right? At this point, it's still 1980, are you going, whoa. This guy's full of shit. Or are you going, oh, something's wrong here? Or -- I mean I know so many people within the church, despite the fact that these claims and the intros to these books and L. Ron Hubbard's past, you know, and he's been killed three times and come back to life and born of a Virgin Mother or whatever the hell it is, they consider that these things are factual. He was a war hero. He did have these degrees. And that the government with a conspiracy against Scientology has gone in an altered all this information. Do you know what I mean? It's like, to continue their own delusion of what was what.

Now, at this point in 1980 were you still buying the story or would you concerned, you know, in terms of the validity of any of that?

G: There were a couple of steps in the process. Initially, I just collected the documents. Then I began to see discrepancies. And although I saw discrepancies I continued to believe that what he was writing about himself and what he had been saying was the truth. And that the discrepancies could be explained in some manner. Additionally, if there are only a couple of discrepancies and they're minor discrepancies, who cares. But, through the process of the accumulation of the biographic archive, in my study of them, I began to see that it wasn't just a few isolated instances but, rather, that he had -- that lying had been his pattern and that that's what was true about him. What was true about him was that he was a liar and that he appeared to think that he could lie with impunity.

J: What lies did you see specifically that you could enumerate a few.

G: The ones which were significant to me were the ones I think which had been used to draw me into the organization and which had kept me in the organization for all that time, and they were not just used for that but used to create a mystic about him which you could not penetrate, could not question. It was significant ones. If he had been crippled and blinded during the 2nd World War. That he had cured himself with Dianetics. That it was a matter of medical record that he'd twice been pronounced dead. That he was a nuclear physicist. Those, to me, significant representations, I was able to show in his own documents, not the government's documents, but documents which he maintained in his own archive, that they were false.

J: Gerry, how did you feel when this came to light? I mean, you're a loyal Sea Org member. You have worked for the last ten years as a Sea Org member working night and day very hard, giving your all, complete dedication, sometimes 16, 18, 20 hours a day. How did you feel when you began to find these things out and they began to dawn on you that this man was a bigger liar than he was a purveyor a truth? This must have been the devastating thing to go through. You were loyal. There was probably no person any more loyal than you. You were one of the loyal Sea Org members.

G: Well, it was initially like I say, I just noted the discrepancies and carried on with my work. There came a time when my mind began to open. I began to see, and I began to question. That period of time was also a period of great confusion. There was also a period of time of some loneliness because there really was no one to talk to because I couldn't go to someone with a critical thought. I could not -- you could not talk and say the things that I had to say inside the organization.

Then there came a period of time in the fall of 1980. I actually had tried a couple of times. I'd gone to Laurel with some discrepancies, cause Laurel had been his public relations officer for many years. She knew the story. And I was saying, "Laurel, this isn't true. We can't say that." Well she got really angry at me and silenced me. So I learned to not say anything.

But there were a couple of points. One of them was contracting with Omar Garrison. And Garrison had a couple of very pro-Scientology books prior to my coming on the scene although he was not a Scientologist..

S: He was a huge ally of the church, in fact ...

G: He was a huge ally so again even with Garrison I couldn't just say, "Hey, Omar, you know, check this out. It's bullshit!"

S: I've connected the dots and it's scary.

G: Right. Now, it was a gradual thing with him, too. I would give him material and then we'd talk about it. Gradually I began to see that Omar understood, and Omar was an ally of mine, so we began to be able to talk freely. And that was another key to my getting out of the organization was... spending a lot of time with him, with his wife, travelling around the country in different situations outside the organization. And then going back into the organization and having that comparison all the time where you do, having the knowledge that I had, going into the organization and seeing the craziness inside and then going out of the organization and seeing that the representations the organization was making about the outside was another aspect of the big lie which was being run on us.

But, toward the end of my existence inside the organization, and also as I learned more I became, I guess, braver and braver and braver. You know, willing to stand up -- it didn't matter any more. You know, you want to kick me out of this organization? See you later.

But I was still there, still dedicated, so I developed something of a cause during my last few months inside the organization of attempting to get the organization -- and, of course, I knew it would get to Hubbard and it was sort of a challenge to him, but initially to get the organization to change what it was saying.

S: I remember that part very well.

G: And I critiqued a number of the dust jacket material and the "About the Author" sections of the various books, and we'd go through them and line by line say, "This isn't true, this isn't true." Here are the facts." This we don't know. We can't document that. It sounds like bullshit to me. And so, I did that with a number of pieces. And I think it actually had a good effect up to a certain point, because they did actually change them and tone down some of the hyperbole.

S: Now, didn't at that point you also feel -- this is per my recollection cause I was a PR at that time and worked pretty close with Laurel and -- didn't you feel that despite the fabrications and despite the inconsistencies that there was still value to Hubbard? I think I recalled something about, "Gerry said that we could still do a biography and just make it truthful and still..." -- because LRH had contributed so much, just do a truthful thing, and his contributions would stand on their own. You didn't need all this fabrication. And you sort of had platformed this campaign, right, where you went over like a pregnant polevaulter...

G: Right.

S: ...as I recall.

G: It really, I think, ran his accomplishments and the technology will have to stand on its own. If it's going to stand, it has to stand on its own. We can't hold it up with lies. That's the way I still feel about it and I think it has fallen on its own. I don't think that it's workable and I think that it's an enforced technology. But that's sometime later in my development.

S: Now, by this time, you and Terry were no longer married and you had remarried to Joyce Brown.

G: Right.

S: Was your relationship with your wife at this time, where you were very vulnerable and feeling alone, was that any solace to you?

G: Yeah. See, she came along in...

S: Another catch, dude. I mean she was such a doll-baby. She is such a doll-baby.

G: Yeah, she's a sweetheart. Initially, I'm working away on the biography project and she's up there in SMI, Scientology Missions International. And we connect. And you know what a Sea Org romance is like, you know. "Hey, gotta a weekend free, let's drive down to Tijuana and get married." You know it's that kind of a thing. I think I drove her down one week and got her a divorce and the next week got her -- married her, sort of.

But she was in much the same situation as I was, in, that, if you're free to talk to anyone inside the organization then, for one thing, the organization wouldn't be Scientology -- if people were free to talk it wouldn't be Scientology because that's the essence of Scientology is its lack of freedom. We at one point came to this realization that we could talk. So, just toward the end of our being inside the organization we formed something of a conspiracy of two. And so, knowing what we knew, and once I knew that I could talk to her and what she knew is she could talk to me, and we formed this little conspiracy...

J: It really wasn't a conspiracy though. It was open, honest communication.

S: Between a husband and wife.

G: Right, open and honest between us, but ....

S: But within the organization it would have been a conspiracy.

G: ...but conspiring to not let the organization know because they say you must talk open and freely to this sec checker but you can't talk open and freely to your spouse.

S: What?

G: That's the organizational paradonn. So we violated that because when it came to sec checking it was -- I mean she had to go through a sec check toward the end of our Sea Org experience and by that time, I mean, once you know that the whole thing is a scam, anybody can con a sec checker, because you have a certain altitude. Go ahead and ask a question. I don't care.

S: That's right.

G: You know, it doesn't read. There's no more belief in that meter. It's just a pack of garbage.

J: Are you saying that the E-Meter is not 100% effective?

G: The E-meter is at best a worthless, anti-religious artifact.

J: Thank you.

S: Don't sugarcoat it honey, give it to us straight, ok? I mean, you know, enough of this pussyfooting around stuff.

J: You feel pretty strongly about that, don't you Jerry?

S: Yeah.

G: No, it's ... irrelevant. It has no meaning. It has no value whatsoever.

J: I think the value that it has is the value that the person holding the cans has...

S: Infuses into it ...

J: Yeah, places upon it because of what he's been told or shown.

G: That's not the value. There may be some value in answering questions. There may be some value of looking into one's mind. And --

J: I agree with what you're saying. I don't disag.. I'm saying the value that it has to the organization, not to the person.

G: Oh, yes. It has the same kind of value that thumbscrews had in another era.

J: Yeah.

S: Now, Gerry, when you had all those documents and you had these boxes, did you not come across a lot of evidence in terms of not only inconsistencies in the fabrications that L. Ron Hubbard had presented to Scientology as a whole, but also things that made his past actually questionable in terms of maybe alcoholism or drug use or things that you came across that not only show him as someone who's made up these things, but showed a quite -- A man who was the antithesis of what had been presented.

G: Yeah. Yeah.

S: Tell us about that.

G: I began to see that his drug of choice in his later years were steroids. And he dosed himself with massive doses of testosterone and I remain convinced that that is what he used to keep an edge on his belligerence.

S: Interesting.

J: How did you come to find that out?

G: From his own writings.

J: Is there any way that we could look at those writings?

G: I don't know of any way of getting to them at this time.

J: Why? I know it's a simple question, but why?

G: Because the organization will not disgorge the true information which it has on Hubbard.

S: Do you think they've kept that information or do you think they've destroyed the information?

G: Both. So that there is certain aspects of what they've done and the criminal activity that they're involved in which they maintain and there're certain aspects of it which they destroy.

J: When you say the criminal activity they're involved in, do you think that the majority of Scientologists have any idea that that's going on?

S: The current Scientologists?

J: Yeah.

G: No.

S: Of course not.

J: Then?

G: When you talk about the majority -- the people at the top know.

J: Like David Miscavige and Norman Starkey and...

G: Yeah, and Gene Ingram? Sure. The people who control Scientology. And the lawyers. Oh, yeah, the Earle Cooleys of the world? Sure. They absolutely know that they're involved in criminal activity designed to destroy civil rights of the members of the organization and the lives of anyone they perceive as enemies.

J: Can you give me two examples of civil rights that Scientology has violated?

G: Freedom of association, freedom of speech, freedom of religion.

S: Just to name a few, honey.

J: Ok. Yeah. I mean, thanks because...

S: Gerry, keep going.

J: That sort of thing I think is important. Most people don't realize that that's what's going on. Most people have no idea that that's going on. Did you feel like you were manipulated while you were in there?

G: While I was in there I don't recall that the subject of manipulation crossed my mind. I don't think I could have allowed myself to think that I was being manipulated. But...

J: Did you ever feel that way?

G: I felt absolutely controlled. But my understanding of the manipulation, the coercion, comes later.

J: After one pulls back and views it from the outside.

G: Yeah, well, I mean, technically I was inside but I had really begun to deprogram myself and so...

J: Did you tie yourself up? I mean we all know about deprogrammings. You get tied up, and ...

S: ... sexually molest yourself.

J: Did you tie yourself up and sexually molest yourself?

G: Oh, I mean, deprogramming has to do with that subject of manipulation. While you're programmed you don't know that you are being manipulated. When you're deprogrammed you realize that you have been manipulated.

J: So in order to be deprogrammed, one has to be programmed.

G: Yeah.

J: Deprogramming doesn't work on somebody who hasn't been programmed.

G: I would think that's true.

J: Yeah. I would think so too. I would think so too.

G: Accepting the word and the definition.

J: When did you leave?

G: December '81.

J: Why?

G: It was time to go. (laughter)

J: Would you tell me a little bit more about that. I mean, I believe what you're saying but not everybody knows the Gerry Armstrong story. And I think a lot of people might be most interested.

G: Ok. Well, I came to the point I guess a couple of weeks prior to that and I had been very vocal on the subject of the lies, Hubbard's lies, the organization's lies and the organization's activities. And my vocalness had come to the attention of Norman Starkey. Norman Starkey at that time was on a mission operated by David Miscavige, the purpose of which was to take care of Hubbard's legal problems so that he could come out of hiding. And Starkey one day came into my area, Hubbard archives area, and we had a conversation. And he accused me of saying things about Hubbard which were untrue. And one of the things he said was, Hubbard -- he wanted, Starkey wanted, to charge the PRs through the ages with creating the lies which I have documented.

S: Well... now hadn't that happened to a large extent? Did Lizzie and Laurel -- for a period of time, I don't know what happened to the whole thing, but they took the fall that they had made it up and they had written these falsehoods about L. Ron Hubbard.

G: But they weren't around in 1950 and 1952 and 1965...

S: No, but they were the ones who -- they had written down the biographical information on L. Ron Hubbard, how it was dictated to them by L. Ron Hubbard, per my recollection.

G: But they were not there. If you look at -- what's the book on the atom bomb, the nuclear physicist's book -- "All About Radiation". If you look at that book and if you look at the bulletins that were written in that era it says, L. Ron Hubbard, a nuclear physicist. Lizzie wasn't there. Laurel wasn't there.

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S: That's true. That's so true.

G: How can you say -- I mean, it's like one thing to make those people scape goats, but those people weren't there in '56. Laurel wasn't old enough to be there in '56. She was in our generation. I mean, you know, we're the 60's. We're the baby boomers.

S: Lizzie certainly wasn't there, either.

G: Anyway, what I did was show Starkey in Hubbard's handwriting where he had called himself a nuclear physicist and Starkey just went silent and he stormed out. And a short time later I was called down to Gilman Hot Springs.

J: Do you think he had a major ARC break?

G: No, I think that he recognized that everything that he had put his life into for so many years and had done so many rotten things and attacked so many people in defense of. That he saw that that hung in the balance and he had to go one way or another. So he chose to close his mind. And he wrote to the ... one of the executives of La Quinta ... Gilman Hot Springs and requested that I be sec checked.

J: This is the Golden Ere Studios, or Golden Era Studios.

G: Right, but at that time -- I'm not sure what it is now.

S: No, cause it's at Gilman's.

G: CMO headquarters...

S: This is at La Quinta.

G: No, this is Gilman.

S: Oh, this is Gilman, ok.

G: Yeah, this is -- CMO headquarters, in any case. And so I went -- I was called to Gilman and I spoke to Cirrus Slepp. And she asked me about -- she actually showed me Starkey's report on me. And I said that I -- you know I was quite open with her.

S: Now Starkey reported that you had fabricated this information?

G: No, Starkey reported that I was criticizing Hubbard and he wanted to find out what I had been saying and what documents I had been giving to Omar Garrison because I'm working closely with Garrison, and if I'm giving Garrison documents showing that L. Ron Hubbard claimed to be a nuclear physicist and L. Ron Hubbard lied about being a nuclear physicist and Starkey knew about many more lies...

J: The cat would be out of the bag.

G: Right. So he wanted -- they wanted to keep a lid on it. Cause his job, of course, is to continue the myth of L. Ron Hubbard. Starkey's put a whole life into doing that. He's dedicated to that illusion.

J: Starkey got into Scientology in the 60's in South Africa. So he's been in a long time, probably 30 years.

G: Yeah

J: That's a long time to put in. It's at that point 20 years.

G: Right. And he was in a position of power. And he liked those positions of power. And this is, of course, some kind of a threat. I mean, here's just some guy down there making all kinds of noise and essentially calling L. Ron Hubbard a liar.

J: You know, one of things that always... I'd always thought about in Scientology was the is-ness, as-is-ness, alter-is-ness and not-is-ness. It says in order for something to survive or continue there has to be a lie in it. And the question that always came to my mind -- the first question that always came to my mind is, for Scientology to continue it must have a lie because it says so right here. In order for anything to continue it has to have a lie. So I always wondered what the lie in Scientology was.

G: The lie is that is Hubbard's philosophy. Hubbard's philosophy is flawed. It is a corrupt, dishonest philosophy. And he was a corrupt and dishonest man.

J: You must hate his guts. You must hate his guts for a person who's ... for a person who's been loyal...

G: That which will survive is that which can never be altered. That which is altered and that which is hence unreal, that which is a lie, will not persist. Now you can try and Hubbard can try but you will not get lies to persist.

J: That's true because there's always some truth under there and they'll pull the truth out and it's fixed full of lies.

G: The truth will be there no matter what you do with it.

J: We need to go eat lunch, or dinner?

G: Oh, ok.

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J: So I think that you have an appointment.

G: Yeah.

J: Before we do that, let me ask you two quick questions.

G: Ok.

J: You left in '81.

G: Right.

J: You were sued in '84.

G: '82.

J: '82.

S: Jerry?

J: It went to trial in '84.

G: Right.

S: We should just pick this up, because...

J: We will.

S: Ok, I just wanted ...

J: We will. But, I just want to get this on here. They lost the suit against you.

G: Right.

J: In '86.

S: Big time.

J: In '86. They sued you in '82. Went to trial in '84. In '86 they settled out of court with you.

G: Right.

J: For hundreds of thousands of dollars, if my sources are correct, and you don't need to verify ... or hints at all, if you can let us -- if you want to, it's fine. But there's no reason to give anything. If my sources have been correct you got $800,000. You -- Scientology paid you $800,000 because you knew the truth about L. Ron Hubbard. You knew the truth. And you have been harrassed and you've followed. You've been lied about. You've had people watch you 24 hours a day for weeks on end. You've had to go through extreme mental pressure today, yesterday, even. Gene Ingram says things to you like, "Gosh, Gerry, you look like you have AIDS," when in fact you're a very healthy person and you're a marathon runner. And it's...

G: Right.

J: Settlement aside, but, these other things are correct.

G: Right.

J: These guys are still harrassing you.

G: Right.

J: And you were a loyal, loyal, Sea Org member. Never in your wildest dreams did you think, when you got into Scientology, and you dedicated your life to this, if ever they had put you in this position.

G: Right.

J: Thanks. Can we continue this?

G: Yeah.

J: Thanks.

G: Thank you.

[RESUME TAPING]

S: Hi Gerry, you left in '81.

G: Right, December '81.

S: Can you tell me what led up to your departure from Scientology?

G: Sure. I had come to the conclusion at the end of '81 that the organization was not going to reform its ways, it was not going to correct the lies L. Ron Hubbard had told about himself. L. Ron Hubbard was not going to correct the lies he'd been telling about himself. The organization was not going to change its -- what I considered -- criminal and anti-social behavior. And I knew that my days were numbered, that I could not continue to be in the organization taking the stand that I had been taking, being vocal on the subject of Hubbard's lies. So I really was faced with only one choice to make and that was to leave. So, I carefully, cautiously, and over a period of a week or ten days removed my few belongings and my wife's few belongings out of the building and we cleaned our living space before we left. Left the few pieces of Sea Org uniform that I had, and we drove away.

S: I see. Now didn't you at this time do something rather brazen which is like -- didn't you keep some of the documentation for some period of time and send copies to the church or vice versa kept copies and sent stuff back to the church?

G: No.

S: No?

G: No, I didn't. I worked very diligently and my wife Joyce -- and Jocyln -- worked very diligently for the last couple of weeks copying whatever we could copy of the documents which I had in archives, many of which I had already copied and already provided to Omar Garrison, but I was dedicated to Garrison. I sensed, or knew, that whoever took over the biography project after I left, and I assumed that it was going to be Vaughn Young, because he'd been working with me on the project at that time and it was my expectation that he was going to take over the project, that the organization once I left would not allow Garrison the access to the materials that I had so my dedication to him, my dedication to the biography project and my dedication to the attempt to bring to light the truth brought me to copy everything I could, and what I couldn't copy and all the copies that I had remaining, I took to Garrison at the end. So I provided them to Garrison and then Joyce and I drove up to Canada. And at that time we were completely documentless. I did not have any documents. Didn't do anything with the documents for a period of time.

There came a time some months later because I began to work for Garrison outside the organization that I, at his request, copied a lot of the copies which I had given to him because he wanted to set up a separate archives because he felt that the organization was going to burglarize his place and steal the materials that I had provided to him.

So, that second set of materials was what I then provided to Mike Flynn, or sent to Mike Flynn, after I knew that the war with the organization had started, in the spring of 1982.

So, the organization's claim that I stole all these documents -- that's simply not true. I was under contract to provide the documents that I could to Garrison and I performed pursuant to that contract. It was only as a result of the organization's declaring me an enemy -- I knew that I was then fair game. I knew that the battle had been engaged. And I took it as what was the only sane thing to do. Anticipating a legal battle. In fact I was told to get a lawyer. I did.

I got Mike Flynn.

S: Okay. And so, then, how did it progress from that point, the legal battle?

G: Through the spring of '80 -- late spring of '82 and into the summer I provided sets of documents as I was able to get them from Garrison and copy them. I sent them to Mike Flynn. Some of the documents that I sent were some of the originals which I had provided to Garrison.

Some of the originals I provided to Garrison because he needed, or, we felt, that it was very good to have originals because he was considering including copies, photographs of the original documents in the biography, some of the things which were in Hubbard's handwriting and on the original paper would have been great included in the biography. So some of them he had for that reason. Some of them he had because I just didn't have time to copy them. It was our intention that Garrison would copy them and he'd provide -- give the originals back to the organization.

But some of the documents were originals, but most of them were copies which I provided to Flynn.

S: Now up to this point Mr. Garrison had been, as you'd stated before, an ally of the church. And Did he also -- was he becoming disillusioned with all this newly discovered information?

G: I think he was -- he wasn't probably as illusioned as I thought he was. He really was an intelligent man living on the outside of Scientology, and had provided as a writer a service for them in doing the books that he'd done. But he thought his own thoughts and he was independent of Scientology. And he is a -- he's a fighter in his own way, so he had already had his own battles with Scientology just to arrive at the products that he'd done.

So it came to him as really no surprise. And It was a surprise to me that it was no surprise to him. He was pretty real about the whole thing. But, he did begin to understand that he had possession of very sensitive documents and that the organization would then consider him, if not an enemy, certainly a major security threat in that he possessed these very sensitive documents.

S: Okay. So, you went to court. The Church filed suit against you, am I correct?

G: Yeah. August '82.

S: You countersued.

G: Right.

S: This was a big suit. I mean this was well covered in the LA Times. This was like a very big, visible suit. Can you tell me how that progressed and what the outcome was? And who all was involved?

G: Sure. They sued me in August of 1982 seeking to recover the documents which I had sent to Mike Flynn, and seeking damages. And the causes of action were conversion. They considered that my providing -- initially they claimed that my providing the documents to Omar Garrison was conversion because they did not know at that point that I had retained a copy of the contract to show that Garrison legitimately had the documents and that I legitimately had given Garrison the documents.

I defended the suit initially by stating that the documents were not the organization's documents but were L. Ron Hubbard's documents and L. Ron Hubbard should bring the lawsuit but L. Ron Hubbard would not come out of hiding, and he was afraid to come into court. So then Mary Sue Hubbard intervened on his behalf. And she claimed a proprietary interest in the documents.

That was the initial stage of the lawsuit. The judge in Superior Court -- I think it was Judge Coale, then ordered the documents which I had provided to Mike Flynn and to my other lawyers Contos and Bunch in Woodland Hills -- he ordered those documents be delivered to the court and they stayed within the possession of the court through the lawsuit, through the pendency of the lawsuit up until the time of settlement which was December 1986.

So, they initially sued me, and then I filed a counterclaim for the intentional infliction of emotional distress and for fraud. That then, the two cases were bifurcated -- they were split apart so that initially all that got tried at my trial, at the Breckenridge trial in the spring of 1984 was their lawsuit against me. And out of that came the famous Breckenridge decision in which he found that because of my knowledge of fair game, of organization intelligence operations and of the fraud of L. Ron Hubbard that I was justified in going to Garrison, getting the documents that I knew about and sending them to my lawyer. So ... That was the result of that trial.

My case against them...

S: Was that a jury trial?

G: No, judge trial. My case against them did not go to trial because that was settled. It was scheduled to go to trial. At one time in December of '86, then in early 1987. And in large part because it was scheduled to go to trial the organization settled it.

S: Now I know a lot of other executives at the time sort of -- I wouldn't say rallied around you, but, but, came to witness against the Church during this time.

G: Right.

S: And that was a big thing at the time, right, because these were some of the senior most executives of the church.

G: Uh huh. Laurel Sullivan who'd been Hubbard's public relations officer whose history went back with him through the Sea Org. Bill -- sorry, Bill Franks wasn't there. Homer Schomer. Eddie Walters.

S: Kima, didn't Kima..

G: Kima testified. Nancy Dincalci. So a number of them were, really my friends. People who I'd known inside the organization and outside the organization. A group of friends who were quite close to me and who had the courage to come forward and testify.

S: That's great. Now, your suit settled and -- bring us up to date to this point as well as how you feel retrospectively about the whole situation, what, you know, what would like to do now, are you under a gag order presently? Are you not?

G: I'll give you the history.

S: Ok.

G: So in, From 1984 after the Breckenridge decision there were a series of events -- operations that the organization mounted against me to compromise me, to set me up, to get me charged with false criminal charges, any number of things. The onslaught...

S: 1984, that was during the trial -- during your case or prior to your case or after your case?

G: They began before -- in 1982 they had PIs on me, I was assaulted, I was driven into. They tried to get me in a highway accident. They harrassed me day and night for well over a month. Then as a result of the court's comment about this kind of activity, they backed off. They kept up the legal onslaught and they deposed me in any number of cases and within my own case. And they ran operations against me. You okay?

S: Yeah.

G: But it was really after my trial in 1984 when they escalated the war. They sent around my friend Dan Sherman. You may know him. And I liked Dan. We were really close. And we hung out a lot. But the whole thing was an operation to get Dan close to me so that I could be set up. And what they tried to do through Dan was to convey to me the idea that there was a group of people inside the organization who wanted to reform it, who wanted to get rid of the criminal element at the top of the organization and have it revert to its pre-Guardian's Office, pre-criminal days. Get rid of the criminality.

S: Now, so at this point, were you supportive of that effort, on Danny's part?

G: Well, at first all it was was him telling me that there was this group of people and then he would send me messages from them. And then gradually I built up a relationship with them. These people claimed to be a core group of 35 people inside the organization who were working covertly because of their fear that should it become known that they wanted to reform the organization they said they were afraid for their lives.

S: So at this point despite everything you knew about Hubbard you must have had some faith in the technology of Scientology. Or am I wrong? Am I mistaken? I mean if you thought well we can restore this organization to its original intention to be, you know, this may be humanitarian group or maybe this ...

GA: No. No, it's more like downstairs here there could be any number of Catholics, Protestants, Jews or whatever, but I support the cause that they're involved in. It's that sort of way. I did not consider myself a Scientologist, but, if Scientologists want to continue to be Scientologists and at the same time clean up the criminal element in the organization I can support that without myself being a Scientologist. So I supported their intention of reforming the organization. And I didn't know who they were. I'd never spoken to them so it was sort of a support from a distance -- there was nothing to do. He was relaying this information to me.

Then they initiated a dialogue with me. They wanted to communicate with me. And they would send messages via Dan, the message that they really respected me for what I did, the integrity that I showed during the trial, and so on. I got a phone call one night from one of these guys just after the trial and just the day before I was to fly to London to testify in the child custody case, the one that Jolly West quoted from today, the Latey decision came out of that trial. I went over there and testified. Well the night before I received a telephone call from one of these people claiming to be one of the 35 Loyalists. And he said, "We can get your pc folders. We know you want your pc folders. We can get them for you." "Oh, ok. What do I have to do?" "Oh, well you'll have to drive to a certain place in Los Angeles..."

S: Griffith Park.

G: No, this was a different -- I never went, I never bit. I never rose to the bait on that occasion. I said, "Well, to me this could be construed as accepting stolen property and it also could be an attempt to get ... to stop me, because of the times that were involved, to stop me from flying to London, cause they did not want me testifying in the trial. I said, "As much as I'd like the pc folders I can't do it." In any case I flew to London and testified. There, in London, I was harrassed at Heathrow Airport by private investigators. And they, in fact, wrote sworn affidavits that I was observed passing sealed documents to a bearded Arab in the Old Cock Tavern, pardon me, on a particular Tuesday night. I had in fact been at the Old Cock Tavern for lunch on the day previous but I was not there now on a Tuesday night. And the whole thing was concocted, but that's true to form of Scientology, you know, manufacture evidence. So they ... a Scientology operative will swear to anything. The fact that it's a sworn affidavit doesn't mean anything. But it was just another piece of the ongoing operation to compromise and set me up.

I returned to the U.S. and then I was contacted by two people. One of them was David Kluge, who I only knew at that time as Joey. And the other one was Mike Rinder, who I'd known from inside the organization in the Sea Org. And both of them -- and all of this was video taped, illegally, covertly, by Gene Ingram. And I didn't know at the time and I talked to them like I ...

S: This was the meeting in the park.

G: Right.

S: The famous meeting in the park.

G: Right. And there were a series of meetings in the park but I talked to them like I talk to you and I -- you know my language was atrocious. I made bad jokes. Just rotten. I had a foul mouth at the time. But I was also -- you know, I mean, I could pick up that there was something weird going on because what they would tell me off camera seemed to be so different from the questions that they're now we're sitting on a park bench and they're talking to me. And I'm ... was completely open about the whole thing, but I also knew that there was something weird about it so a lot of what I'm saying on the video tape reflects that aspect of the thoughts that are going through my mind about how strange this is.

But there are some really funny things that occurred. If you've never seen the videos, they're very, very funny.

S: You know, I on't know, Gerry, that the videos were ever shown. What I do know is that a transcript of these meetings was published in Freedom News Journal.

G: Right. A part, part of it.

S: In part. But it was very interestingly written because it would say -- it would have a quote and it might be a sentence, and then it would say, "And then he said..." and the rest was all just like editorialized, "And then he said this and this and de-de-de-de-de-de-de-de-de." And then there'll be another quote. And I thought, "Well, if he said these things why didn't you just publish the dialogue? Why are you giving me your interpretation of what he actually said?"

J: True to form.

S: Of course. It amused me. I was still involved in Scientology. Still a believer. I saw this. I have to tell you, this shook me, cause I went, "This is nuts." Who could ever believe this article? And I was truly, truly committed to the organization at this point. But it really made me go, "Please, this so discredits them. Why would they do this this way?"

G: When they first broke the videos in 1985 up in the Christofferson trial, before they were shown to the jury the judge viewed the first two videos. And he viewed them in his chambers, then he came back out and he said, "These are very damaging, damaging to the church." Right. And they polled the jury after the trial. And they said that the video tapes of me only proved one thing. And that was that fair game was alive and well in 1985.

So, the Scientologists are so blinded. Here's the way I think it went down. People are reporting to Hubbard through this time that they have an intelligence connection to Armstrong. And Hubbard hates Armstrong, you know, cause I've been saying all these things. And they've been telling him that I took the documents.

S: Pull back the curtain.

G: I mean, out of what I did came the Breckenridge decision which stated, "This guy is a paranoid, schizophrenic." I mean just the worst thing that he ever wanted to hear. But true.

But they -- the organization could never tell Hubbard the truth. And Hubbard could never hear the truth, so there's a perfect situation there for Hubbard to get partial truth and it always happened inside the organization, then he would issue an order. He would issue an order, in this case, like, "Get that into evidence. That'll destroy Armstrong." Because they're telling him, "We've got video tapes of Armstrong saying 'this,' and of course, they take one line out of context." But that's the big win that they want to convey uplines to Hubbard.

And of course, Hubbard doesn't get the whole picture, but now he has issued an order. And now they have to jump through the hoops to get those video tapes -- illegally taken, and the judge stated up in Oregon, these things are illegal. But they fought to get them in. And after the judge said they're damaging against the church, does anyone care? I had to go through the incredible embarrassment of my foul mouth, and I didn't know, you know, did I pick my nose, you know -- how did I? You know there's four hours of video tape I was just -- I was a total jerk.

S: (Laughter)

G: But I understood after a while I really -- it was terrible to me. Up in the Christofferson trial. When I knew that my friend, Dan Sherman had set me up, that the whole thing was a set-up, that they'd video-taped all of this stuff, the betrayal was so awful to me. I was suicidal for just days. I walked out of the courtroom. The judge got rid of the jury, sent everyone home, and he was busy watching these things in there. And I'm sitting, I'm alone out there in the courtroom for an hour and then someone, one of the Scinos' lawyers walked in and made some complaint about me even staying in the courtroom and so I walked outside.

And we were on the third floor of the courthouse. And there was, you know, the stairs came up like this onto the third floor and then they went around like that so there were two places where you could look down three floors onto the marble floor below. It looked just hard enough that it would do the job, just smack! I really considered it for a long time. I walked over to the railing of one of these areas and I looked down, and I was just contemplating just ending it right there. Then I realized that down below was a set of pay phones and that, you know, someone crossed over there to the payphone and I realized, you know, here I go to end it all and I take some innocent guy out walking to the payphones, so I couldn't do that so I walked over to the other one, thinking well, you know, here's an opportunity. And there was a bank of Coke machines. And so, you know, just out to save some other poor guy, I didn't take my own life at the time.

But it was horrible. I just ... I came just so close. And I... My heart -- there was incredible pain. One night I just couldn't sleep and there was this pain and I just couldn't breathe. Awful! It went on for some days over a weekend and then into the next week. I think they had me on the stand for 10 days, 7 or 8 of which were cross-examination with the great Earle the pearl Cooley. Anyway ...

So that's what happened in 1985 and they just continued after that. Then they culled my pc folders. And they sent all the most scurrilous stuff out of my pc folders. And they put that ... filed the stuff in my case in LA Superior Court.

S: Well, you had to have of known that that was going to happen.

G: Well, I mean, you get a sense but you really can't believe it until you see it. And then you can't believe the twists that they and their lawyers put on it. You know and there was this dream I had. I had a dream up in Portland in '85 and I sent it... I've had very few memorable dreams in my life and only one or two of them have I ever written down. And this one was so vivid and so memorable that I wrote it down. And I wrote it, I think, very concisely. It was some of my very best literature because it is really tight and really good. It's also really foul. The language and the concepts are just grotesque. But it was a great dream. And I sent it to Dan Sherman because he's my literary buddy. It ends up the Scinos get it and they got that! And they want to put that into evidence in the ... the Christofferson trial!

That one, that one followed me this last year it showed up in Johannesburg in South Africa. The organization provided it to their lawyers over there to attack me with. A dream! And they twisted that -- that the fact that I had a dream was the proof of what a perverse, distorted guy I was. Anyway...

So, there was a series of things. When I first arrived in Boston, in September of '85, well October '85, they brought criminal, they attempted to bring criminal charges against me with the FBI for impersonating an FBI officer. Five times they brought either flat out criminal, or quasi-criminal contempt charges against me. And they tried the same thing in Marin County.

S: Gerry, let me stop you here for a minute. What motivates you. I mean, why on earth wouldn't you say, "I did this. I messed up. I made a wrong choice. I'm just going to go away now. And have my life and just ... you know, I have my wife and I have our birds or..." whatever you guys had at the time. I don't remember. I used to get Christmas cards from you guys -- I think you had birds or cats or something.

G: Yeah! We had birds. That little guy could talk.

S: Nicky?

G: Mikey.

S: Mikey.

G: Right!

S: That's right.

G: Anyway, there was a period of time, December '86. It was the time of the settlement. And we'll get back to the settlement in a minute.

I felt that I really could get on with my life. And I could do a number of other things. I began to, I mean I'd always written, but I wrote seriously. I drew seriously. I spent a lot of time doing my things. I had my own life. And I maintained communication with my friends you know, who I did not disconnect as a result of the settlement. The organization may have felt that I should have or had to or that I was contracted to but I didn't do that. But I really had my own life and I wasn't involved in anyone's litigation. And I didn't have to do anything about them for a period of time.

But the organization couldn't quit. They couldn't let the Breckenridge decision stand. They couldn't let my image stand, whatever I represented to them so they continued their attack. They continued in a false -- what they call a Dead Agent pack that they put out against Bent Corydon in 1987. They did it in the Russell Miller case, in London in 1987. They filed 8 absolutely false, scurrilous affidavits regarding me, specific to me in that case.

S: And this was post-settlement agreement.

G: Post-settlement agreement. Gene Ingram provided an edited version of the video tapes -- the illegal video tapes to the London Sunday Times.

S: Now let me ask you something? In this settlement agreement, does it clearly state that this was not allowed? In the settlement agreement? I mean, were they thus in violation of the settlement agreement?

G: In my opinion, yes! Because the settlement agreement, unless it worked two ways, didn't work at all. But if it was only one-way, then they relieved me of any duty to perform by their doing that. In other words, they cannot -- if the settlement agreement is only a lop-sided, one-sided settlement agreement, that's fine! I honor it and I'm silent. And I don't do anything to violate it. Then everything works fine as long as they don't. But as soon as they, in a new, as they would say, unit of time do something, I clearly have the constitutional right to respond and speak out. They waived the right. They had to remain silent whether it said they had to remain silent or not. Additionally --

S: Did it say? That they did? I mean, was it one of those agreements that Okay, we're just going to both let by-gones be by-gones?

G: That's exactly the words in it, yes! Anyone would interpret it that way. And anyone did. But they interpret it by saying --

S: You should let bygones be bygones and get over it but they didn't have to.

G: Not only that! That they have a right to say whatever they want and I must remain silent even if they can say that I was an ax murderer. And I must remain silent? It doesn't work. But not only that, I realized that my silence was in fact an obstruction of justice. Because all of those people who depended on my testimony, and I have great testimony regarding the fraud of Scientology, was vital to anyone who'd been defrauded by Scientology. So I felt that I really have a right and a duty now to stand up to the organization. I did not --

S: So you were feeling like you were getting over it and you wanted to leave it alone and you wanted to get ahold of your life, for a period of time until they began to lash out at you, at which point you said, "Hey, I don't need to lay down, for you to run over me."

G: Well, there was a series of -- even though they published the Corydon Dead Agent pack, even though they published the material in the Russell Miller case in 1987, shortly after the settlement agreement, I didn't do anything. And I didn't do anything until I got a series of telephone calls from Larry Heller, organization attorney threatening me with law -- with being sued if I were to even testify pursuant to a subpoena. So I knew at this point, "This has gone too far." And what happened was I was subpoena'd to testify in a deposition in the Bent Corydon case. Toby Plevin subpoenaed me. Now I had maintained some communication with Bent because he is my friend. I had not assisted him in any way in his litigation because I had agreed not to do that but I knew that if he subpoenaed me, that that was senior to whatever settlement agreement existed.

Another aspect of the settlement agreement that you should know, was that I was told before signing it by my lawyer, Mike Flynn, that it was "not worth the paper it's printed on. You do not have to obey this. It cannot be enforced." So I signed in large part because Mike Flynn said that.

Now, in addition to that, Mike Flynn had told me through time -- and I had grown to understand that 1) the organization had attempted to assassinate him 2) it had destroyed his marriage and 3) he had to get out of the litigation for those reasons. So I was faced with, if I don't sign, then all of these other people don't get to settle, my lawyer can't get out of the litigation, it's going to go on forever, and in addition to that, I've been told by my own lawyer it's unenforceable, it's not worth the paper it's printed on. So sure, I'll go ahead and sign this thing and I will even attempt to honor it knowing that the only hope for a settlement with that organization is if they do change their spots if they do indeed turn over a new leaf, and if they do indeed repudiate fair game. They haven't done it. Hence we now are again locked in battle.

S: Now what is your present litigation with the Church of Scientology?

G: They brought a lawsuit to attempt to enforce the settlement agreement. Out of it ... in May of this last year, there was a hearing here in Los Angeles, in Superior Court, in front of Judge Sohigian. The organization claims that they got a great big win out of it and that I am enjoined pursuant to the settlement agreement. Not true! Judge specifically said that he would not enforce the settlement agreement other than one very narrow issue. The very narrow issue is that I cannot except pursuant to a subpoena, assist someone intending to file a claim or pressing a claim against the organization. Now that we are appealing even that narrow ruling, because that's unenforceable because if you construe that my... that this video could possibly indirectly help someone in the future, I can't do this. And not only that but if you consider that my existence indirectly or directly helps someone, then I am obliged to take my own life. In other words then I must stop breathing. It's unenforceable hence I feel that I am completely at liberty to associate with whomever I want, to talk to whomever I want, and I act in life that way.

And that is in part why I am here at this event now, why I came tc the CAN Conference.

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S: OK, so what are your further plans? I mean, you're doing great, now. You've got this luxurious long hair.

G: I want to run a 236 marathon.

S: 236 what? 236 yards?

G: 2 hour and 36 minutes marathon. And I want to..

S: That's what you do, you run.

G: I run. So I want to do that. And I want to end the litigation and I want, you know, peace for everyone. I want to reform the economic system of the world and that's mainly it. I don't have any designs on the U.S. presidency.

S: Presently.

G: No, I can't have, I'm Canadian.

S: Oh, That's right.

G: OK are we done here?

End of Tape.

EXHIBIT E

December 22, 1992

David Miscavige and all other individuals who participate in the control of Scientology
C/O Laurie J. Bartilson, Esquire
Bowles & Moxon
6255 Sunset Blvd., Suite 2000
Los Angeles, CA 90028

Re: Nothling v. Scientology

Dear David and all others involved:

I am writing this to you, and the various copy recipients listed below, because there are certain things it is fair that you know. Although it is the trial in the Nothling case, which, I understand, is set for early February, that has moved me to write at this time, the idea of writing has made addressing a number of other subjects also timely.

You will recall that in June of 1991 when Malcolm Nothling called me and asked me to testify in his case in Johannesburg I wrote to the organization via Eric Lieberman to see if by initiating communication on the subject you might see that there was an answer to your litigation problems different from the one you and your erstwhile leader had been believing in and pursuing as long as any of us can remember.

Mr. Lieberman wrote back, essentially advising me you said stick it in my ear, and that more, not less litigation was going to be the same old solution; and to not expect communication other than the solidest of sorts. Copies of Mr. Lieberman's and my letters are enclosed herewith.

I did travel to South Africa in 1991 to testify, as you know, but the trial was postponed on the organization's motion. Now it's set to happen again. Again Mr. Nothling has asked me to testify, again I have agreed, and again I am writing you to see if there is any sense in attempting to unfoment this litigation.

Your public attack line that Gerald Armstrong foments litigation against you is particularly hurtful because of what I have done and continue to do to unfoment litigation. Even my signing of your settlement agreement was, in the face of your intent to hurt me, which fact is settled by the agreement itself, an act only of unfomentation.

You all should take a good hard look at the hurt your practices, certainly your litigation practices, cause in the world. And you don't have to desist in them because of anything I've said. You can knock off those bad practices for any reason you want, including because they don't work and make no sense.

All the decent people, believe me, in your organization want you to get out of the stupid attack-the-attacker business, and they'd salute you for getting the organization out of that silliness, but they're too frightened. You shouldn't frighten good people that way. It's cruel. And any thinking soul knows that you guys are only acting out of fear, so you really are not fooling anyone with your blindness and bluster.

I realize you've put your faith in really bad things, like lies and PR, threats and bullying, and really mean people, like Gene Ingram. And I'm aware that having put your faith in badness for so long, and spent so many millions of dollars to have so many bad lawyers make so many bad decisions and add so much to their brethren's bad name, it can seem impossible to quit. But you must. All it will take is the willingness to unfoment your litigation.

Eugene M. Ingram has done such nasty things to so many people in the service of your organization, you and he should be spanked. His terrible charge at the CAN convention that I have AIDS is heartbreaking, not because I have AIDS, which I don't, but because your pet pit viper personalizes and focuses your organization's institutionalized hatred.

By accusing me of having AIDS, you and Ingram attack not just me, you attack the many people whose lives have been touched by this disease, or for that matter touched by your organization, and you attack yourself. Your similar-veined attacks on other people of good will at the CAN conference, like Father Kent Burtner, has brought your organization to ignomy.

But the target of faith can be rechosen. And that is where I urge sense and unfomentation. Put your faith in what is real, what is true, what can always be depended on. Put your faith in what in people is true, unchanging and ceaselessly loving. Putting your faith in lies, PR, threats, bullying and bullies you will always betray yourself because you put your faith in nothing; and you and every being everywhere have a right to everything that nothing isn't.

Likewise don't put your faith in litigation or your use of the courts to harass. It is possible to be faithful to a higher ideal than wins in court. If you have put your faith in lies, leverage, advantage and bullying to secure a win, you have gained nothing. If you put your faith in truth, hope, charity, love, no matter the courtroom outcome you have everything; that's religion.

Since the 1991 almost trial in the Nothling case the California Court of Appeal issued its opinion in the appeal you took from the Breckenridge decision in Armstrong I, the California Supreme Court denied review, and the Court of Appeal denied your motion to seal the appellate record. You brought and lost the motion to enforce the settlement agreement before Judge Geernaert in Armstrong I, and then you sued me to enforce it in Armstrong II.

In May Judge Sohigian issued his ruling refusing to enforce the agreement, although enjoining me from testifying unless pursuant to a subpoena. He also ruled that I did not have to not make myself amenable to service of process. I will supply a copy of the Breckenridge decision, the Armstrong opinion and the Sohigian injunction to any of the recipients of this letter upon request.

Because you didn't appeal from the Sohigian injunction, you have accepted it. I believe as well that for a valueless desire for a valueless win at any cost you also accepted his dicta; e.g. "involves abusing people who are weak," "involves techniques of coercion," "a very, very substantial deviation between [your] conduct and standards of ordinary, courteous conduct and standards of ordinary, honest behavior," "be sure you cut the deck," "make sure to count all the chips."

As a result, I consider myself free to do anything anyone can, except testify absent a subpoena. Much of what I am permitted do I am going to do. I am going to write freely, speak freely, publish, talk to the media, associate freely, and continue, until you put your faith in something more religious than what is bad in jurisprudence, to confront the injustice you bring to court.

In the next month or so I expect to initiate speaking or media events to help pay the enormous costs of this litigation. And I expect to promote my legal position within the publishing industry, because my story and my writings on the subject are literarily and commercially worthy.

I will continue to associate with and befriend all those people I consider you attack unjustly and senselessly. I will make my knowledge and support available to the Cult Awareness Network, a group of people of good will you vilify, in all the litigation you have fomented against them. I will make my knowledge and support available to any Scientologist who is afraid to go anywhere else for understanding, and to the families of Scientologists your organization has estranged. I will even make my knowledge and support available to entities like Time and people like Rich Behar in their defenses from your attacks.

I will, nevertheless, remain available to do whatever I can to unfoment your litigation. I will meet with you, talk with you, help you to find a better solution to your problems. Because of your decision to not have anyone communicate with me, no one from your organization has. I get a little lawyer contact, lots of PI BS, an OSA hearing or deposition attender, enough psychic skirmishes for an army, but, for the life of me, no real people.

In 1991, fantastically, I was the only person in the world, other than Malcolm Nothling himself, who was willing to testify at his trial. And that was enough reason to go. In February 1993, although at this trial I probably won't be the only person willing to testify, there will still be ample reasons to go, unless the case can be resolved.

I really would rather there was no trial and I really would rather not go. Lord knows this last period has been overwhelming and the litigation behemoth terrifying; and Lord knows I have my own calling, which has nothing to do with your legal problems. So I'm willing to do a lot to unfoment the Nothling litigation, and all the tangled legal webs you've woven. But I sure can't do much if you continue to see legal warfare as the solution to your problems and continue to pay the millions your legal mercenaries say the warfare costs.

I am aware that with enough money to enough lawyers you, the leaders of your organization, can hide yourselves and make your roles in your trumped-up war seem very important. There is no doubt this is desirable, it just isn't fair. The real purpose of your little war is to facilitate your doing something different from Scientology, while all those whom you control must go through the daily grind you say you're above.

I don't fault you for doing something different from Scientology, but I do not find acceptable your holding Scientologists in bondage to your catastrophic cause, enforcing your lie that you have their best interests in mind, robbing their years of youth and vigor, and putting them at risk while you show up at the occasional ribbon cutting ceremony, lunch with lawyers and the like, sucker celebs, run PIs and intel ops, conspire, cheat, lie, steal, bully and destroy. I urge something more creative as a better idea.

Your hardworking staff members and people of good will around the world who have supported you financially and spiritually will not for much longer be fooled by your foolishness and will stop believing your lies. They will speak to each other, they will speak out against your suppression, and they will act to free themselves and their friends. You cannot much longer, as we move societally into the age of wisdom, cynically and sillily intimidate good people with threat and suppress good people with lies.

There is the matter of mitigation of damages which, because you insist your lawyers tell you what you pay them to say, you may not have heard or yet understood. In that by the Sohigian ruling I am permitted to speak freely, write freely, publish freely, associate freely, when, it could be argued, and you have, that prior to the ruling and pursuant to the settlement agreement I was not so permitted, I have, in your attempt to enforce the agreement, prevailed.

By not appealing the Sohigian ruling you have acquiesced thereto. I am therefore due costs and fees in Armstrong II plus the costs and fees you already owe in your earlier losing and unappealed effort in Armstrong I. But in addition to the fees and costs now owing, and increasing as you protract this already lost litigation, there is the cumulative effect of your legal onslaught which, continuing after the case was lost, if not before, is in every minute malicious.

Gerald Armstrong and The Gerald Armstrong Corporation (TGAC) must also mitigate their damages. I have a duty, therefore, to end this litigation as quickly as possible. Thus I write to so many organizational recipients; thus I canvass to see if within the organization's many parts, all put at risk by their leaders' asininity and mean-spiritedness, there are people of good will who will see sense in what is in their best interest.

That after the Sohigian ruling you sued TGAC (pronounce that Tee-Gee-Ack) is silly and self-destructive. The only thing in the world Gerald Armstrong, individual, is prohibited from doing by the "injunction," is testifying about his Scientology history and knowledge without first accepting the perfunctory subpoena. TGAC only came into existence in 1987, six years after Gerald Armstrong's organization experiences ended, and a year after the Armstrong I litigation "settled."

TGAC cannot testify, with or without subpoena, about any Scientology experiences, because it has had, aside from those which have flowed from your lawsuit, none. Since no one, including TGAC, is prohibited by Sohigian from doing any of the things TGAC actually is capable of doing, it is free to do everything anyone or any other corporation can; and by not appealing the injunction you have so agreed. Thus, having no conceivably legitimate claim against TGAC, you depend on one manufactured from madness, and you must therefore dismiss the mess you've made.

There is also, as mentioned above, the fact that in order to defend myself from your attacks and to fund the defense of the litigation you have fomented I must speak and must publish. I'm sure you understand that I remain completely confident that no court, other than the odd one your mercenaries are able to compromise with bucks, babes or bull, will order me to not defend myself.

I realize you will probably claim to be offended by

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everything I've written in this letter. I can't do much about that because you seem to take offense no matter what I say or write, or don't. For, *inter alia*, that reason I haven't said or written it differently. I really don't blame you for being offended and I don't expect you not to be offended; nor will I be offended if you are. I think my position is obvious and I think peace is worth doing something about, even if the fomenters of war are offended. I've used the words I've used because to me they make sense and they're a facet of my craft.

This letter is not really, however you may take it, a complaint nor an attack. It is an effort to unfoment your litigation, into which I have been, albeit for some God-given purpose, drawn. So, neither forgetting nor ignoring Judge Sohigian's admonition not to settle Armstrong II, but still hoping, with my heart crossed, here is my proposal:

1. Settle the Nothling case;
2. Settle with Ed Roberts;
3. Dismiss your complaint against TGAC and Gerald Armstrong;
4. Remove all your bar complaints against Ford Greene;
5. Pay my attorney fees and costs;
6. We will dismiss the cross-complaint and appeal;
7. Cancel the agreement;
8. Return all materials you've stolen from me at any time;
9. Pay me whatever you want, including, but not limited to, nothing.

1. Malcolm Nothling has a claim and he has survived a lot to get to trial. His costs, not much by US litigation standards, must be recognized, and he must be made whole financially, ethically and publicly. I am convinced that his daughter, but for your control of her mother and her life, would enjoy a healthy, loving relationship with her father. Therefore you must do whatever is within your power to reunite them.

2. You know about the Ed Roberts case because Ms. Bartilson interrogated me about my providing assistance to Mr. Roberts in my last series of depositions in Armstrong II, and one of your lawyers, Marcello Di Mauro, in earlier times communicated about him with Ford Greene. Ed Roberts is a friend of mine who

was sucked dry and flat out robbed by your registrars on the way to an up- or downstat week of no consequence to anyone as it turns out, and always does, but Ed.

I have found myself in the silly position of being the only person in the world willing to help Mr. Roberts against your organization. Again, I have no desire to have Mr. Roberts engage you in litigation. In fact his situation can be resolved without your fomenting not only more litigation, but more ill will and silliness. For you it is merely an accounting matter. You ripped Mr. Roberts off; now pay him what is needed to make him whole again.

Mr. Roberts' case of Scientology lies, threats, treachery and thievery, his own money then used to pay your pittiless pettifoggers to prevent him from anything resembling redress, is being played and replayed every day of the year in your orgs. I would think that the three or so million you wasted on your inane USA Today ads to counter Richard Behar's few good pages could have taken care of three hundred Mr. Roberts and done a heap of good.

All your ads did was a heap of bad: more lies, more hate, more embarrassment for Scientologists everywhere, another dead forest, and an uncharitable little delay to your victims before they are made whole. The Ed Roberts case is, in my opinion, the proof of Time's theme: that you are - all of you at the top of your organization - a cult of greed. But worse, you squander your plunder, as witness Toronto, starve the good and fatten your PIs and proctors and their proctologists. And all with the fatuous excuse of a right to defend wrongness and attack rightness because your "religion's" stupidity is, in our courts of law, beyond question.

Anyway I want to have Ed's needs taken care of toot sweet. He probably wouldn't think less of you if you didn't apologize, but I think it's a good idea and sure couldn't hurt.

3. I don't care what order everything is done in. I think whatever is most practical, sensible and ergonomically sound is the way to approach this particular program, which, I'm sure can be wrapped up in a couple of days.

4. This is easy. These Ingram-generated efforts have only served to shine a light on your invidiously scheming enterprise. All your similarly baseless bar complaints against my other lawyer, Michael Flynn, came to nothing. You should learn from the earthworms. Filing no spurious bar complaints whatsoever they demonstrate their superior philosophy.

5. Although they're in the range of, I don't think fees and costs are over $500,000. Clearly nothing is going to happen

unless you cover my attorneys' fees and costs. To leave me with that indebtedness is unfair and unworkable. You will recall that I made a proposal in 1984, being then scared and weak: pay my lawyers' fees and costs of, I guessed, $150,000, and I'll quit. You, and in those days, Hubbard, said no way. I, less scared and much stronger, urge you to choose again.

6. Dismissal of the cross-complaint is easy. I'll take care of it.

8. I'm aware this may for a long time remain a pettiness you'd rather not confront. But I can guarantee that if you return my materials - the Hubbard letters manuscript, the Cones, all the other materials you and your PIs have stolen from me over the years, I will not bring criminal charges, and I won't even bring the subject up again.

9. You have to cancel the settlement agreement in order to demonstrate to yourselves that it was the wrong thing in which to put your faith. You will notice that when you cancel the agreement nothing will happen. Yet you will have freed me. And that is what you should make Scientology's only business: freeing people. You will also observe that when you free me you free yourselves; in fact you cannot yourselves be free unless you free me.

Regarding my relationship with you after you cancel the agreement, that is where you must reassert your faith. Have the faith that I will neither say nor write worse things about you if you free me to do so. As you know I can say some pretty pointed things about you now just because you won't cancel that degrading document. Put faith in what occurs in silence. Put faith in the inevitable.

7. You decide. If you think I did a lousy job unfomenting your litigation, pay me zippo. Even if it all works for everyone, timing inspired and ideas a Godsend, you don't have to pay me anything. I generally don't refuse what's offered. You know how much I'm worth.

I haven't forgotten Wollersheim, Yanny I & II, the Aznarans, the CAN litigation, claimants all over the place, your government lawsuits, the rest of the settlement signatories, your taxes, nor your image and media distress, and I think it's appropriate to say that I can help you unfoment those problems as well. I would, of course, need half a chance.

If you look deep in your hearts I believe you'll find you really do not want Scientology's legacy to be one of suppression; suppression of the Constitution, human dignity, truth, religion, justice, even suppression of your own good selves. Wouldn't it be better to be known as the people who ended the madness in peace and style; a radical recognition of the transcendence of quantum scientology. LRH was Newtonian in his physics and relativistic epistemologically. I like to call one aspect of my philosophy, *inter alia* non-mutual exclusivity.

I believe that everyone will become a person of good will, that everyone already is, has been and will forever be, that there is progress and perfection, hope and reason, that to know who we are we must accept the truth of our relationship to our Creator, that all about us that we made is illusion, that we have reason to be grateful that is so, that our Creator, God, our Father Loves us in the same Love by which He created us and holds us always safe and always loved in that Love, that we, His children, are one and One with Him, that the means by which He is remembered, and hence our relationship, and hence who we are, and hence what we know, is forgiveness, that forgiveness is the recognizing of illusion for what it is, that creation is our nature, and that everything is all there is.

With a wish for peace in 1993, I remain hopeful and,

yours sincerely,

G.

Gerald Armstrong
715 Sir Francis Drake Blvd.
San Anselmo, CA 949650
(415)456-8450

:ga

cc: Malcolm Nothling
Ed Roberts
Lawrence Wollersheim
Richard & Vicki Aznaran
Richard Behar
Ford Greene, Esquire
Paul Morantz, Esquire
Joseph A. Yanny, Esquire
Toby L. Plevin, Esquire
Graham E. Berry, Esquire
Stuart Cutler, Esquire
Anthony Laing, Esquire
John C. Elstead, Esquire
Michael J. Flynn, Esquire
Fr. Kent Burtner

Margaret Singer, PhD.
Cult Awareness Network
Daniel A. Leipold, Esquire
Church of Scientology International
Church of Scientology of California
Religious Technology Center
Church of Spiritual Technology
Church of Scientology ASHO
Church of Scientology AOLA
Founding Church of Scientology of Washington, D.C.
Church of Scientology Flag Service Organization
Church of Scientology of Arizona
Church of Scientology of Los Angeles
Church of Scientology of Stevens Creek
Church of Scientology of Sacramento
Church of Scientology of San Francisco
Church of Scientology of Washington State
Church of Scientology of Boston
Church of Scientology of Portland
Church of Scientology of New York

EXHIBIT F

3444

Scientology in the Schools

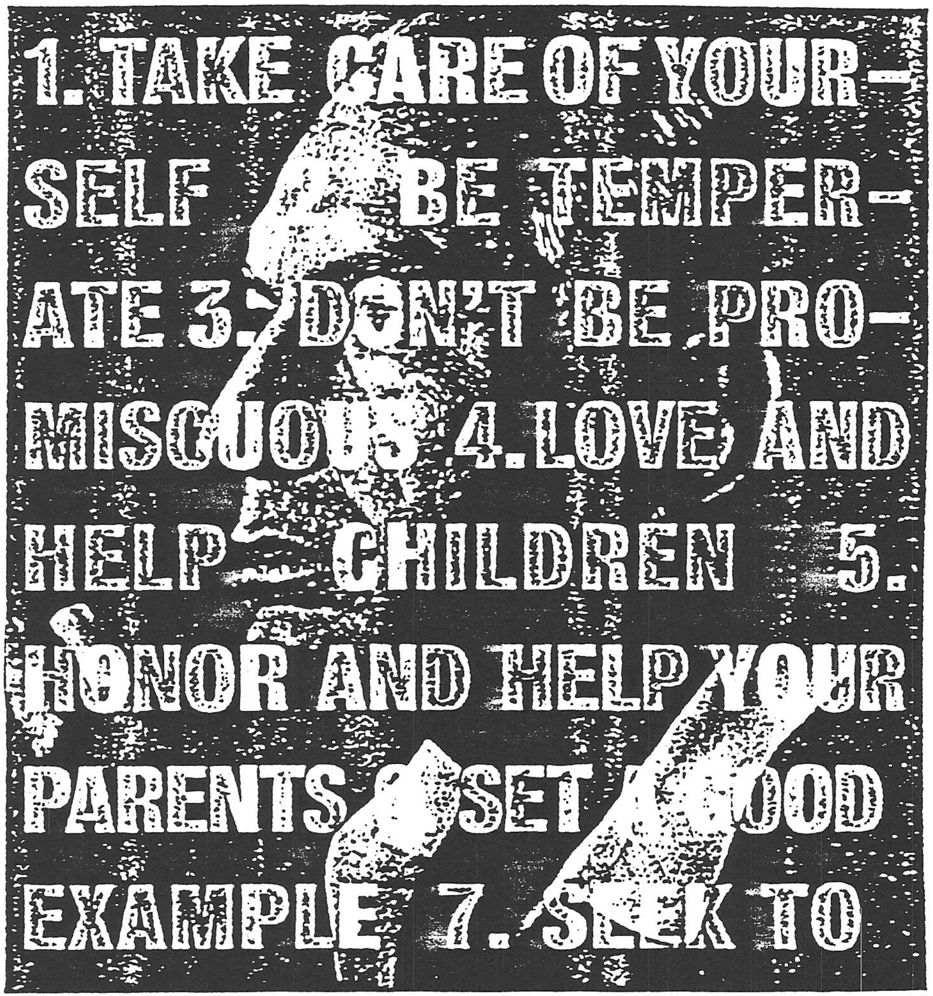
Is L. Ron Hubbard's morals text harmless?

BY KENNETH L. WOODWARD AND CHARLES FLEMING

When Carol Burgeson received a copy of "The Way to Happiness" in the mail 18 months ago, she read it through and decided it was the perfect nonreligious vehicle for teaching moral values to her senior students at Thornton Township High School in Harvey, Ill. So Burgeson ordered more free copies of the book by L. Ron Hubbard and used them to stimulate discussions in her classes. "It seemed so harmless," she says. "Brush your teeth, do your work, don't be tardy—what's wrong with that?"

Nothing. But she was more than a little surprised to discover that the late Hubbard, who is identified in the pamphlets by name only, was the founder of the Church of Scientology, and that the pamphlets are distributed by a foundation tied closely to his controversial religion. She's not alone. With little fanfare, Hubbard's text has found its way into the nation's schools. According to the Scientologists, 8,300 public-school teachers and administrators have used the morality text since it was first published in 1981. Altogether, church officials estimate, 6.8 million pupils in 7,000 U.S. schools have studied Hubbard's moral principles; internationally, more than 34 million copies in 17 different translations have been distributed—sometimes, say Scientologists, by major corporations. "That book," says the Rev. Heber Jentzsch, president of the Church of Scientology International, "has probably had more popularity than anything Mr. Hubbard has written."

The need for books on values has long been recognized by public-school educators. Strapped for cash and under pressure from parents to deliver a values-oriented education, many teachers and administrators welcome any text that promises—as Hubbard's does—to deliver sound moral principles on a "nonreligious" basis. But when NEWSWEEK checked with public-school educators who received the text, some said that they had been misled. In Brooklyn, N.Y., Lawrence Herstik, principal of PS 238, initially welcomed "The Way to Happiness" as "a values-oriented book about righteousness and peace." But he stopped using the text after he discerned "an undercurrent of a religious nature." In Bellflower, Calif., Jeanie Cash, principal of the Frank E. Woodruff Elementary School, ordered copies of the Hubbard book but refused to put them into her classrooms when she discovered that they came from the Church of Scientology. "They sent a brochure saying it was a self-esteem program," says Cash. "I feel that I was deceived. We feel very strongly about the separation of church and state."



AP

'Way to Happiness': *Hubbard's 'secular' text*

Since "The Way to Happiness" claims that it is "not part of any church doctrine," Scientology officials insist that its use by public schools poses no problems. Hubbard wrote it in 1980, they report, the year the U.S. Supreme Court ruled that public schools in Kentucky could not display the Ten Commandments in the classroom. Like Scientology itself, says president Jentzsch, the book merely teaches "common sense." However, the volume is published by Bridge Publications, the church's own publishing house, and promoted through The Way to Happiness Foundation, one of several independent corporations designed to propagate Hubbard's thought.

All of these putatively "secular" organizations are coordinated by the Association for Better Living and Education (ABLE), which is an organ of the church. The "Way to Happiness" book is itself part of Hubbard's extensive philosophical and religious writings, which for Scientologists, says Jentzsch, "are the same as the Bible is for Christians and the Koran is for Muslims." What makes "The Way" acceptable for public-school use, Jentzsch argues, is that students who read the book do not have to follow Hubbard's moral principles, while members of the Church of Scientology must.

On the surface, there is little in the book that would trouble any educator who believes in cleanliness, honesty, integrity and tolerance. Among Hubbard's 21 moral principles is this curiously relaxed restatement of the golden rule: "Try not to do things to others that you would not like them to do to you."

But Hubbard's catechism is also studded with jarring axioms. It declares, for example, that "the way to happiness does not include murdering your friends, your family or yourself being murdered."

More important, anyone familiar with Scientology will find that the text uses key words and concepts taken directly from Scientology's religious lexicon. For instance, Scientology teaches that the fundamental point of life is "survival," and that only those who become the "cause" of their own actions can be truly happy. This is also a major theme of "The Way to Happiness." More significant, Scientology teaches that the truth is "what is true for you." This relativistic view is repeated with emphasis in the book. On the other hand, the text is silent about most of Scientology's central tenets: for example, its belief that people suffer from evil deeds done in past lives that the church's ministers can correct through expensive counseling courses, and its adamant opposition to psychiatry.

Front group? Critics of Scientology, including some former officials, argue that "The Way to Happiness" is primarily a recruiting tool for the church. According to Vicki Amaran, who once served as inspector general of the Religious Technology Center, the church's highest ecclesiastical organization, The Way to Happiness Foundation is "a front group to get people into Scientology" and the book is designed "to make Scientology palatable to the masses." Another former church member, Gerald Armstrong, claims that Hubbard wanted "rich Scientologists to buy huge quantities of this book for distribution. He wanted to go down in history as a scientist or a philosopher or both." Both Amaran, who runs a private detective agency in Dallas, and Armstrong, who works for an anti-Scientologist attorney in San Francisco, are currently locked in prolonged and bitter litigation with the church over a variety of claims.

Church officials strongly deny that "The Way to Happiness" is a lure to attract potential converts. Still, the church is anxious to broaden its appeal by promoting Hubbard's various "technologies" for combating drugs, reforming criminals, teaching morality and learning how to study—and doing it through its sundry satellites: Narconon, Criminon, Applied Scholastics and The Way to Happiness Foundation. The church's encyclopedic reference text, "What Is Scientology?", claims that 23 corporate giants have used Hubbard's study technology. Yet a check of three of them—Mobil Oil, General Motors and Lancôme—brought denials of any corporate involvement with the church. But if the nation's public schools are any measure, Hubbard's tracts will continue to turn up in the most surprising places. ■

EDUCATION

Martyrs for Multiculturalism

Courses that students at UCLA might die for

For 20 years, the University of California, Los Angeles, has offered courses about Chicano culture and history. But last April, on the eve of the funeral of Cesar Chavez, the farm workers' union leader, officials announced that they would not create a special department devoted to Chicano studies—instead they pledged to improve the existing program. Since then, the campus has reverted to '60s-style protests. Students—mostly Chicanos—took over a faculty center, then trashed it. City police arrested 99 demonstrators. And now, on the lawn outside the administration building, nine demonstrators have taken a page from the Chavez manual, pledging to fast until a department is created—or they die.

If you support ... Gender Studies ... DEMAND Chicano Studies
THERE'S A HO
IN OUR CURRICU
ETHNIC / GENDER

LESTER SLOAN—NEWSWEEK

A fight to the death: *Protesters at UCLA*

Is this a cause worth dying for? "We are risking our lives to save lives," says hunger striker Jorge Mancillas, assistant professor of biology at UCLA's medical school. More academic attention, he thinks, will eventually pay off in a more prosperous, stronger Chicano community. But UCLA does not have separate departments for any special-interest group. Asians, blacks and women have all had to content themselves with interdisciplinary majors taught by professors from traditional academic departments. That arrangement is unsatisfactory, say the demonstrators, because faculty members have little time or encouragement to concentrate on ethnic studies. Their solution: full academic status for Chicano studies. "We cannot continue to the next necessary step without departments," says Luis Torres, an English- and Chicano-studies professor at the University of Southern Colorado who also heads the National Association of Chicano Studies. (About 17 percent of UCLA's 23,000 students are Chicano; many have not joined the campus demonstrations.)

UCLA administrators insist that a field like Chicano studies—touching on history, sociology, literature, feminism and other disciplines—is best left as an interdisciplinary program. That structure encourages the flow of ideas among Chicano-studies faculty and other specialists. Creating separate departments, says UCLA Provost Herbert Morris, encourages a "Balkanization" that the university wants to avoid. "We need the ethnic perspectives to pervade all the departments," says Morris, who does agree that the Chicano program needed improvement.

Chancellor Charles E. Young offered to take several important steps to bolster the Chicano-studies program. First, all ethnic- and gender-studies programs would be exempt from funding cuts for two years—a critical gesture because the UC system is strapped for cash. Second, new faculty would be appointed jointly to Chicano studies and an existing department—history, say, or languages. Also, Young insists that this year's decision need not be the final one. He suggests that the idea of a full-fledged department can be re-examined in a few years. Seeking an end to the demonstrations last week, university officials offered even more funding and more faculty for the program. So far, the protesters have rejected his offers—as well as food. In a state where minorities now account for nearly half of the student body at some public universities—and sometimes more—the bitter conflict at UCLA will not be the last.

CONNIE LESLIE *with* ANDREW MURR *at* UCLA

PROOF OF SERVICE

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

I am employed in the County of Los Angeles, State of California. I am over the age of eighteen (18) years and not a party to the within action. My business address is 6255 Sunset Boulevard, Suite 2000, Los Angeles, CA 90028.

On April 4, 1994 I served the foregoing document described as VERIFIED SECOND AMENDED COMPLAINT FOR DAMAGES AND FOR PRELIMINARY AND PERMANENT INJUNCTIVE RELIEF FOR BREACH OF CONTRACT on interested parties in this action,

[ ] by placing the true copies thereof in sealed envelopes as stated on the attached mailing list;

[X] by placing [ ] the original [X] true copies thereof in sealed envelopes addressed as follows:

PAUL MORANTZ
P.O. Box 511
Pacific Palisades, CA 90272

FORD GREENE
HUB Law Offices
711 Sir Francis Drake Blvd.
San Anselmo, CA 94960-1949

[X] BY MAIL

[ ] *I deposited such envelope in the mail at Los Angeles, California. The envelope was mailed with postage thereon fully prepaid.

[X] As follows: I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with U.S. postal service on that same day with postage thereon fully prepaid at Los Angeles, California in the ordinary course of business. I am aware that on motion of party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing an affidavit.

Executed on April 4, 1994 at Los Angeles, California.

[ ] **(BY PERSONAL SERVICE) I delivered such envelopes by hand to the offices of the addressees.

Executed on ________________, at Los Angeles, California.

[X] (State) I declare under penalty of the laws of the State of California that the above is true and correct.

[ ] (Federal) I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.

Gaabriel Becket
Print or Type Name

Gaabriel Becket
Signature

* (By Mail, signature must be of person depositing envelope in mail slot, box or bag)

** (For personal service signature must be that of messenger)

ATTORNEY OR PARTY WITHOUT ATTORNEY (Name and Address) TELEPHONE NO.
Laurie J. Bartilson (213) 463-4395
BOWLES & MOXON
6255 Sunset Blvd., Ste. 2000
Hollywood, CA 90028
ATTORNEY FOR (Name) Plaintiff: Church of Scientology Int'l

FOR COURT USE ONLY

3448

FILED

AUG - 9 1994

Insert name of court and name of judicial district and branch court, if any:
Superior Court of California
County of Los Angeles Central District

PLAINTIFF: Church of Scientology International

DEFENDANT: Gerald Armstrong; The Gerald Armstrong Corporation

CASE NUMBER: BC 052395

REQUEST FOR ☒ ENTRY OF DEFAULT ☐ CLERK'S JUDGMENT ☐ COURT JUDGMENT

1. TO THE CLERK: On the ~~complaint or cross-complaint filed~~ verified Second Amended Complaint
   a. on (date): April 5, 1994
   b. by (name): Church of Scientology International
   c. ☒ Enter default of defendant (names):

      Gerald Armstrong and The Gerald Armstrong Corporation

   d. ☐ I request a court judgment under CCP 585(b), (c), 989, etc. *(Testimony required. Apply to the clerk for a hearing date, unless the court will enter a judgment on an affidavit under CCP 585(d).)*
   e. ☐ Enter clerk's judgment
      (1) ☐ for restitution of the premises only and issue a writ of execution on the judgment. CCP 1174(c) does not apply. (CCP 1169)
      (2) ☐ under CCP 585(a). *(Complete the declaration under CCP 585.5 on the reverse.)*
      (3) ☐ for default previously entered on *(date)*:

2. Judgment to be entered	Amount	Credits Acknowledged	Balance
a. Demand of complaint	$	$	$
b. Statement of damages (CCP 425.11) *(superior court only)**			
(1) Special	$	$	$
(2) General	$	$	$
c. Interest	$	$	$
d. Costs *(see reverse)*	$	$	$
e. Attorney fees	$	$	$
f. TOTALS	$	$	$

g. Daily damages were demanded in complaint at the rate of: $ per day beginning *(date)*:

Date: August 9, 1994

Laurie J. Bartilson
(TYPE OR PRINT NAME)

(SIGNATURE OF PLAINTIFF OR ATTORNEY FOR PLAINTIFF)

*Personal injury or wrongful death actions only.

RECEIVED
CENTRAL DISTRICT
LOS ANGELES SUPERIOR COURT
'94 AUG 1? P3:5?
DEFLT/DSML/ARB TA
ROOM ???

RECEIVED
CENTRAL DISTRICT
LOS ANGELES SUPERIOR COURT
'94 AUG -9 P?:5?
DEFLT/DSML/ARB TA
ROOM ???

FOR COURT USE ONLY
(1) ☒ Default entered as requested on (date) AUG - 9 1994 EDWARD M. KRITZMAN, CLERK
(2) ☐ Default NOT entered as requested *(state reason)*:

By:

(Continued on reverse)

Form Adopted by the Judicial Council of California 982(a)(6) (Rev. July 1, 1988)

REQUEST FOR ENTRY OF DEFAULT

CCP 585 58

SHORT TITLE:
Church of Scientology International v. Armstrong

CASE NUMBER:
BC 052395

3449

DECLARATION UNDER CCP 585.5 (Required for clerk's judgment under CCP 585(a))

3. This action
   a. ☐ is ☐ is not on a contract or installment sale for goods or services subject to CC 1801, etc. (Unruh Act).
   b. ☐ is ☐ is not on a conditional sales contract subject to CC 2981, etc. (Rees-Levering Motor Vehicle Sales and Finance Ac
   c. ☐ is ☐ is not on an obligation for goods, services, loans, or extensions of credit subject to CCP 395(b).

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Date:

(TYPE OR PRINT NAME OF DECLARANT)

▶ (SIGNATURE OF DECLARANT)

DECLARATION OF MAILING (CCP 587)

4. A copy of the foregoing request was
   a. ☐ not mailed to the following defendants whose addresses are unknown to plaintiff or plaintiff's attorney *(names)*:
   b. ☒ mailed first-class, postage prepaid, in a sealed envelope to each defendant's attorney of record, or if none, to each defendar at defendant's last known address
      (1) on *(date)*: (2) to *(specify names and addresses shown on the envelopes)*:

Ford Greene, Esq.
HUB Law Offices
711 Sir Francis Drake Blvd.
San Anselmo, CA 94960-1949

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Date: August 9, 1994

Laurie J. Bartilson
(TYPE OR PRINT NAME)

▶ (SIGNATURE OF DECLARANT)

MEMORANDUM OF COSTS (Required if judgment requested)

5. Costs and disbursements are as follows (CCP 1033.5):
   a. Clerk's filing fees . . . . $
   b. Process server's fees . . . . $
   c. Other *(specify)*: . . . . $
   d. . . . . $
   e. TOTAL . . . . $
   f. ☐ Costs and disbursements are waived.

I am the attorney, agent, or party who claims these costs. To the best of my knowledge and belief this memorandum of cost is correct and these costs were necessarily incurred in this case.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Date:

(TYPE OR PRINT NAME)

▶ (SIGNATURE OF DECLARANT)

DECLARATION OF NONMILITARY STATUS

6. No defendant named above in item 1c is in the military service so as to be entitled to the benefits of the Soldiers' and Sailors Civil Relief Act of 1940 (50 U.S.C. Appen. § 501 et seq.).

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Date:

(TYPE OR PRINT NAME)

▶ (SIGNATURE OF DECLARANT)

PROOF OF SERVICE

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

I am employed in the County of Los Angeles, State of California. I am over the age of eighteen (18) years and not a party to the within action. My business address is 6255 Sunset Boulevard, Suite 2000, Los Angeles, CA 90028.

On August 9, 1994, I served the foregoing document described as REQUEST FOR ENTRY OF DEFAULT on interested parties in this action,

[ ] by placing the true copies thereof in sealed envelopes as stated on the attached mailing list;

[X] by placing [ ] the original [X] true copies thereof in sealed envelopes addressed as follows:

Paul Morantz
P.O. Box 511
Pacific Palisades, CA 90272

Ford Greene
HUB Law Offices
711 Sir Francis Drake Blvd.
San Anselmo, CA 94960-1949

Andrew H. Wilson
WILSON, RYAN & CAMPILONGO
235 Montgomery Street
Suite 450
San Francisco, California 94104

Michael L. Hertzberg
740 Broadway, 5th Floor,
New York, New York 10003

[X] BY MAIL

[ ] *I deposited such envelope in the mail at Los Angeles, California. The envelope was mailed with postage thereon fully prepaid.

[X] As follows: I am "readily familiar" with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with U.S. postal service on that same day with postage thereon fully prepaid at Los Angeles, California in the ordinary course of business. I am aware that on motion of party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing an affidavit.

Executed on August 9, 1994, at Los Angeles, California.

[ ] **(BY PERSONAL SERVICE) I delivered such envelopes by hand to the offices of the addressees.

Executed on ________________, at Los Angeles, California.

[X] (State) I declare under penalty of the laws of the State of California that the above is true and correct.

[ ] (Federal) I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.

KENDRICK L. MIXON
Print or Type Name

Signature

* (By Mail, signature must be of person depositing envelope in mail slot, box or bag)

** (For personal service signature must be that of messenger)

①

3452

Andrew H. Wilson, SBN 064309
WILSON, RYAN & CAMPILONGO
235 Montgomery Street, Suite 450
San Francisco, CA 94104
(415) 391-3900
(415) 954-0938 (fax)

Laurie J. Bartilson, SBN 139220
BOWLES & MOXON
6255 Sunset Boulevard, Suite 2000
Los Angeles, CA 90028
(213) 953-3360
(213) 953-3351 (fax)

Attorneys for Plaintiff and
Cross-Defendant CHURCH OF SCIENTOLOGY
INTERNATIONAL

ORIGINAL

FILED
NOV 16 1994
HOWARD HANSON
MARIN COUNTY CLERK
by M. Louten, Deputy
M Louten

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF MARIN

CHURCH OF SCIENTOLOGY INTERNATIONAL, a California not-for-profit religious corporation; Plaintiff, vs. GERALD ARMSTRONG; MICHAEL WALTON; THE GERALD ARMSTRONG CORPORATION, a California for-profit corporation; Does 1 through 100, inclusive, Defendants.	CONSOLIDATED CASE NO. 157680 EVIDENCE IN SUPPORT OF PLAINTIFF'S MOTION FOR SUMMARY ADJUDICATION OF THE FOURTH, SIXTH AND ELEVENTH CAUSES OF ACTION OF PLAINTIFF'S SECOND AMENDED COMPLAINT DATE: December 23, 1994 TIME: 9:00 a.m. CALENDAR: Law & Motion DEPT: 1
GERALD ARMSTRONG, Cross-Complainant, vs. CHURCH OF SCIENTOLOGY INTERNATIONAL, a California Corporation; DAVID MISCAVIGE; DOES 1 to 100; Cross-Defendant.	DISC CUT-OFF: MTN CUT-OFF: TRIAL DATE: May 18, 1995
AND RELATED CONSOLIDATED ACTION	

INDEX TO EXHIBITS

Exhibit 1: Declaration of Laurie Bartilson in Support of Plaintiff's Motion for Summary Adjudication of the Fourth, Sixth and Eleventh Causes of Action of Plaintiff's Second Amended Complaint and Exhibits Thereto

Exhibit 1(A): Excerpts from Volumes 1-5 of the Deposition of Gerald Armstrong taken in Church of Scientology International v. Gerald Armstrong, et al., Los Angeles Superior Court Case No. BC 052395;

Exhibit 1(A)(8): Exhibit 8 to the Deposition of Gerald Armstrong taken in Church of Scientology International v. Gerald Armstrong, et al., Los Angeles Superior Court Case No. BC 052395;

Exhibit 1(A)(11): Exhibit 11 to the Deposition of Gerald Armstrong taken in Church of Scientology International v. Gerald Armstrong, et al., Los Angeles Superior Court Case No. BC 052395;

Exhibit (1)B: Mutual Release and Settlement Agreement between the Church of Scientology International and Gerald Armstrong, circa December 6, 1986.

Exhibit (1)C: Declaration of Larry Heller dated March 2, 1992 and Exhibits A and B thereto, filed in Church of Scientology International v. Gerald

Armstrong, et al., Marin County Superior Court Case No. 152229;

Exhibit (1)D: Declaration of Graham Berry, dated March 16, 1992 and Exhibit M thereto, filed in Church of Scientology International v. Gerald Armstrong, et al., Marin County Superior Court Case No. 152229;

Exhibit (1)E: Article from the Marin Independent Journal, Wednesday, November 11, 1992, "Is money the root of problems?";

Exhibit (1)F: Appellants' Opening Brief dated January 19, 1993 in Church of Scientology International v. Gerald Armstrong, Court of Appeal, Second Appellate District No. B 069450.

Exhibit (1)G: Excerpt from reporter's transcript of August 6, 1991 in Religious Technology Center, et al. v. Joseph A. Yanny, et al., Los Angeles Superior Court No. BC 033035.

Exhibit (1)H: Declaration of Joseph A. Yanny dated July 31, 1991 and filed in Religious Technology Center, et al. v. Joseph A. Yanny, et al., Los Angeles Superior Court No. BC 033035.

Exhibit (1)I: Declaration of Vicki J. Aznaran, dated May 19, 1994;

Exhibit (1)J: Armstrong's Responses to CSI's Requests for Admission, dated July 21, 1994 in Church of Scientology International v. Gerald Armstrong, Los Angeles Superior Court No. BC

052 395.

Exhibit (1)K: Declaration of Gerald Armstrong in Opposition to Motion to Exclude Expert Testimony, dated August 26, 1991 and filed in Vicki J. Aznaran and Richard Aznaran v. Church of Scientology of California, et al., U.S. District Court, Central District of California Case No. CV-88-1786-JMI(Ex).

Exhibit (1)L: Transcript from CNN Headline News for March 20, 1992.

PROOF OF SERVICE

I declare that I am employed in the City and County of San Francisco, California.

I am over the age of eighteen years and not a party to the within entitled action. My business address is 235 Montgomery Street, Suite 450, San Francisco, California.

I am readily familiar with Wilson, Ryan & Campilongo's practice for collection and processing of correspondence by hand delivery and by mailing with the United States Postal Service.

On November 16, 1994, I served the attached **EVIDENCE IN SUPPORT OF PLAINTIFF'S MOTION FOR SUMMARY ADJUDICATION OF THE FOURTH, SIXTH AND ELEVENTH CAUSES OF ACTION OF PLAINTIFF'S SECOND AMENDED COMPLAINT; DECLARATION OF LAURIE J. BARTILSON IN SUPPORT OF PLAINTIFF'S MOTION FOR SUMMARY ADJUDICATION OF THE FOURTH, SIXTH AND ELEVENTH CAUSES OF ACTION OF PLAINTIFF'S SECOND AMENDED COMPLAINT AND EXHIBITS THERETO; NOTICE OF LODGING EXHIBIT A TO THE DECLARATION OF LAWRENCE E. HELLER, EXHIBIT 1C TO PLAINTIFF'S MOTION FOR SUMMARY ADJUDICATION OF THE FOURTH, SIXTH AND ELEVENTH CAUSES OF ACTION OF PLAINTIFF'S SECOND AMENDED COMPLAINT AND EXHIBITS THERETO; PLAINTIFF'S NOTICE OF MOTION AND MOTION FOR SUMMARY ADJUDICATION OF THE FOURTH, SIXTH AND ELEVENTH CAUSES OF ACTION OF PLAINTIFF'S SECOND AMENDED COMPLAINT; PLAINTIFF'S MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF MOTION FOR SUMMARY ADJUDICATION OF THE FOURTH, SIXTH AND ELEVENTH CAUSES OF ACTION OF PLAINTIFF'S SECOND AMENDED COMPLAINT; SEPARATE STATEMENT OF UNDISPUTED FACTS IN SUPPORT OF PLAINTIFF'S MOTION FOR SUMMARY ADJUDICATION OF THE FOURTH, SIXTH AND ELEVENTH CAUSES OF ACTION OF PLAINTIFF'S SECOND AMENDED COMPLAINT AND EXHIBITS THERETO; AND**

REQUEST FOR JUDICIAL NOTICE OF DOCUMENTS IN SUPPORT OF PLAINTIFF'S MOTION FOR SUMMARY ADJUDICATION OF THE FOURTH, SIXTH AND ELEVENTH CAUSES OF ACTION OF PLAINTIFF'S SECOND AMENDED COMPLAINT AND EXHIBITS THERETO on the following in said cause, by placing for deposit with Lightning Express Messenger Service on this day in the ordinary course of business, true copies thereof enclosed in a sealed envelope. The envelope was addressed as follows:

Ford Greene, Esq.
HUB LAW OFFICES
711 Sir Francis Drake Boulevard
San Anselmo, California 94979

On November 16, 1994 the attached was also served on the following in said cause, by placing for deposit with the United States Postal Service on this day in the ordinary course of business, true copies thereof enclosed in a sealed envelope. The envelope was addressed as follows:

Michael Walton
700 Larkspur Landing Circle, Ste. 120
Larkspur, California 94939

I declare under the penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed at San Francisco, California on November 16, 1994.

Colleen Palmer
COLLEEN Y. PALMER

Andrew H. Wilson, SBN 064309
WILSON, RYAN & CAMPILONGO
235 Montgomery Street, Suite 450
San Francisco, CA 94104
(415) 391-3900
(415) 954-0938 (fax)

Laurie J. Bartilson, SBN 139220
BOWLES & MOXON
6255 Sunset Boulevard, Suite 2000
Los Angeles, CA 90028
(213) 953-3360
(213) 953-3351 (fax)

Attorneys for Plaintiff and
Cross-Defendant CHURCH OF SCIENTOLOGY
INTERNATIONAL

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF MARIN

CHURCH OF SCIENTOLOGY INTERNATIONAL, a California not-for-profit religious corporation; Plaintiff, vs. GERALD ARMSTRONG; MICHAEL WALTON; THE GERALD ARMSTRONG CORPORATION, a California for-profit corporation; Does 1 through 100, inclusive, Defendants.	CONSOLIDATED CASE NO. 157 680 DECLARATION OF LAURIE J. BARTILSON IN SUPPORT OF PLAINTIFF'S MOTION FOR SUMMARY ADJUDICATION OF THE FOURTH, SIXTH AND ELEVENTH CAUSES OF ACTION OF PLAINTIFF'S SECOND AMENDED COMPLAINT AND EXHIBITS THERETO DATE: December 23, 1994 TIME: 9:00 a.m. CALENDAR: Law & Motion DEPT: 1
GERALD ARMSTRONG, Cross-Complainant, vs. CHURCH OF SCIENTOLOGY INTERNATIONAL, a California Corporation; DAVID MISCAVIGE; DOES 1 to 100; Cross-Defendant.	DISC CUT-OFF: MTN CUT-OFF: TRIAL DATE: May 18, 1995
AND RELATED CONSOLIDATED ACTION	

LAURIE J. BARTILSON deposes and says:

1. My name is Laurie J. Bartilson and I am one of the attorneys responsible for the representations of the plaintiff in this action. I have personal knowledge of the facts set forth in this Declaration and could competently testify thereto if called as a witness.

2. Attached hereto and incorporated herein are true and correct copies of documents submitted as exhibits in support of Plaintiff's Motion for Summary Adjudication of the Fourth, Sixth and Eleventh Causes of Action of Plaintiff's Second Amended Complaint and Exhibits thereto.

Exhibit A:	Excerpts from Volumes 1-5 of the Deposition of Gerald Armstrong taken in Church of Scientology International v. Gerald Armstrong, et al., Los Angeles Superior Court Case No. BC 052395;
Exhibit B:	Mutual Release and Settlement Agreement between the Church of Scientology International and Gerald Armstrong, circa December 6, 1986.
Exhibit C:	Declaration of Larry Heller dated March 2, 1992 and Exhibits A and B thereto, filed in Church of Scientology International v. Gerald Armstrong, et al., Marin County Superior Court Case No. 152229;
Exhibit D:	Declaration of Graham Berry, dated March 16, 1992 and Exhibit M thereto, filed in Church

	of Scientology International v. Gerald Armstrong, et al., Marin County Superior Court Case No. 152229;
Exhibit E:	Article from the Marin Independent Journal, Wednesday, November 11, 1992, "Is money the root of problems?";
Exhibit F:	Appellants' Opening Brief dated January 19, 1993 in Church of Scientology International v. Gerald Armstrong, Court of Appeal, Second Appellate District No. B 069450.
Exhibit G:	Excerpt from reporter's transcript of August 6, 1991 in Religious Technology Center, et al. v. Joseph A. Yanny, et al., Los Angeles Superior Court No. BC 033035.
Exhibit H:	Declaration of Joseph A. Yanny dated July 31, 1991 and filed in Religious Technology Center, et al. v. Joseph A. Yanny, et al., Los Angeles Superior Court No. BC 033035.
Exhibit I:	Declaration of Vicki J. Aznaran, dated May 19, 1994;
Exhibit J:	Armstrong's Responses to CSI's Requests for Admission, dated July 21, 1994 in Church of Scientology International v. Gerald Armstrong, Los Angeles Superior Court No. BC 052 395.
Exhibit K:	Declaration of Gerald Armstrong in Opposition to Motion to Exclude Expert Testimony, dated August 26, 1991 and filed in Vicki J. Aznaran

and Richard Aznaran v. Church of Scientology of California, et al., U.S. District Court, Central District of California Case No. CV-88-1786-JMI(Ex).

Exhibit L: Transcript from CNN Headline News for March 20, 1992.

I declare under the penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed this 12th day of October, 1994, at Los Angeles, California.

Laurie J. Bartilson

Laurie J. Bartilson

IN AND FOR THE SUPERIOR COURT

FOR THE NORTHERN DISTRICT OF CALIFORNIA

--oOo--

CERTIFIED
COPY

CHURCH OF SCIENTOLOGY
INTERNATIONAL, a California
not-for-profit religious
corporation,
Plaintiff,

vs.

GERALD ARMSTRONG; DOES 1
through 25, inclusive,
Defendants.

Case No. BC 052395

DEPOSITION OF
GERALD ARMSTRONG

Wednesday, June 24, 1992

REPORTED BY: SUSAN M. SKIGEN, CSR #5829

Q. And do you remember the first time that you learned that there might be a possibility of settling that litigation, and by that litigation, I mean the litigation that was eventually settled with the settlement agreement?

A. Perhaps 1983.

Q. And the settlement agreement was signed in late '86?

A. Right.

Q. So for some period of some approximately three years you believe there might be a possibility of settlement?

A. Right.

Q. Did you engage in any settlement discussions between the time you first learned of it in 1983 and the time you signed the settlement agreement in 1986?

A. What do you mean by settlement discussions?

Q. Any discussions with anybody concerning settlement of the litigation?

MR. GREENE: To the extent that your response, Mr. Armstrong, to this will require you to disclose any communications that you had with --

MR. WILSON: It's a yes or no question.

MR. GREENE: -- attorneys, I'm just going to catch it ahead of the game, my instruction to you is not to answer on the basis of the attorney-client privilege and possibly the attorney work product privilege.

MR. WILSON: Well, my question was a yes or no question.

MR. GREENE: That's fine, but just keep that in mind, please.

THE WITNESS: What's your question?

MR. WILSON: Why don't you read it back.

MR. GREENE: The question is did you have settlement discussions with anybody?

THE WITNESS: Yes.

MR. WILSON: Q. And without disclosing the substance of those, well, let me ask you just this, I take it some of those discussions were with your attorney?

A. Right.

Q. And that attorney was Michael Flynn; right?

A. Right.

Q. Did you have any discussions with any other attorney representing you besides Michael Flynn?

A. Julia Dragojevich.

Q. Any other attorney, can you give me the names of any other attorneys you discussed it with those settlement agreements; is that correct?

A. I don't have a recollection right now of seeing any.

Q. Do you have a recollection right now of seeing any of them at any time except for the Franks one?

MR. GREENE: Same instruction for the same reasons.

THE WITNESS: Yes, I don't believe so.

MR. WILSON: Q. Prior to your leaving Boston for Los Angeles, had you discussed the terms of your settlement with Mr. Flynn?

MR. GREENE: Attorney-client privilege. Don't answer that.

MR. WILSON: Q. It wasn't -- all right. Never mind.

MR. GREENE: Terms, substance.

MR. WILSON: Q. Except for discussions which you may or may not have had with Mr. Flynn, did you, prior to the settlement agreement being signed, discuss those terms with anyone else?

A. Another lawyer who represented me.

Q. And that was Julia, whatever her last name was that you gave us?

A. No.

Q. Who was that?

A. Michael Walton.

Q. Are there any other lawyers that you discussed the settlement agreement with?

A. No.

Q. Michael Walton, Julia Dragojevich and Mr. Flynn; is that accurate?

A. What is accurate?

Q. That you had discussions about settlement with?

A. I don't believe that I had a settlement or a discussion about the terms of the settlement agreement with Julia Dragojevich. No, I did at a time, I did.

Q. And this was before the settlement agreement was signed?

A. With Julia, I believe it was after.

Q. Now, were you aware of the general terms of the settlement prior to the time you flew to Los Angeles?

A. No.

Q. And I take it, then, that you just became aware of those terms when you, in fact, got to Los Angeles?

A. I had not seen one word until I got to L.A.

Q. I understand that, but were you aware of

MR. WILSON: Q. I assume you said hello?

A. Yeah. And I believe that that was, really was just that, that it was a matter of greeting. There was no negotiations or discussion at that point that I recall at all.

Q. Okay.

A. I mean, I believe the documents were all done.

Q. And you do recall the videotape being turned on and your signing the documents and their being read to you and explained and so on?

A. Right.

Q. And you referred to signing the false affidavit. Can you tell me what affidavit you signed that was false?

A. There was an affidavit which was later used by the organization in a case called, I think it's Church of Spiritual Technology VUS or something. And it had to do with the signers acknowledging that the organization had discontinued it's practices of culling PC folders, and that it was, had reverted back to the, on policy, legal ways as stated by the founder L. Ron Hubbard. And among other things --

Q. Go ahead.

A. And I signed a document, and I have seen

CERTIFICATE OF REPORTER

I, the undersigned, a Certified Shorthand Reporter of the State of California, hereby certify that the witness in the foregoing deposition was by me duly sworn to testify to the truth, the whole truth, and nothing but the truth in the within-entitled cause; that said deposition was taken at the time and place therein stated; that the testimony of said witness was reported by me, a Certified Shorthand Reporter and disinterested person, and was thereafter transcribed under my direction into typewriting; that the foregoing is a full, complete and true record of said testimony; and that the witness was given an opportunity to read and, if necessary, correct said deposition and to subscribe the same.

I further certify that I am not of counsel or attorney for either or any of the parties in the foregoing deposition and caption named, nor in any way interested in the outcome of the cause named in said action.

IN WITNESS WHEREOF, I have hereunder set my hand and affixed my signature this_____day of JUL 0 9 1992, 19____

CERTIFIED SHORTHAND REPORTER
STATE OF CALIFORNIA

IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF LOS ANGELES

--oOo--

CERTIFIED COPY

CHURCH OF SCIENTOLOGY INTERNATIONAL,
a California not-for-profit religious
corporation,

Plaintiff,

vs. No. BC 052395

GERALD ARMSTRONG; DOES 1 through 25,
inclusve,

Defendants.

DEPOSITION OF

GERALD ARMSTRONG

Wednesday, July 22, 1992

Volume II, Pages 179 - 293

REPORTED BY: KATHERINE NG, CSR NO. 6350

Q. Just so I understand, because I'm not as familiar as you are, can you tell me what the Azneran case is?

A. It's the case of Richard and Vicky Azneran versus a number of Scientology entities filed in U.S. District Court in L.A.

Q. What is your understanding of what Richard and Vicky Azneran are alleging in that case?

MR. GREENE: At this point, since Gerry has worked as a paralegal on this case in my office, I would request, Andy, that if you would phrase the question in terms of at the time that he signed this declaration, which was prior to the point when he worked for me; otherwise, it could constitute some kind of waiver. That way you could probably get what you want.

(Telephonic interruption.)

THE WITNESS: Okay. So my understanding certainly at that point was that the Aznerans who had been involved quite high level in the organization had sued the organization for the wasted years and the abuse of the organization. So it was those sorts of claims.

MR. WILSON: Q. Did you get that understanding from talking to the Aznerans?

A. I believe I got that understanding by that time from a number of sources.

back and forth at that time.

Q. Okay. What do you intend to do to prepare yourself for your trial testimony, if anything?

A. I will stay in touch with the lawyers. I will review my deposition transcripts. That's principally it.

Q. By staying in touch with the lawyers, do you mean to discuss what you're going to testify to?

A. I think if they have any interest, but I think I have already gone through two days of depositions, so I doubt that they're going to ask me that. But stay in touch, when do they want me, and how they want to schedule it, because it's a big case.

Q. Have you discussed with any of the lawyers any of the other testimony that is going to be given, as far as you understand it?

A. Other testimony of other people?

Q. Right.

A. I don't, I don't think I have specifically discussed that.

Q. Do you know a man named Jerry Fagelbaum?

A. Yes.

Q. Who is he?

A. He's a lawyer in Los Angeles.

Q. How did you meet Mr. Fagelbaum?

A. I met him in his office in Los Angeles on May

27, I think.

Q. Of this year or?

A. Right, this year.

Q. And what was the purpose of the meeting that you had with Mr. Fagelbaum?

A. He wanted me to authenticate an earlier declaration which I had written.

Q. Did you know he wanted you to authenticate this declaration?

A. I was in the courtroom that day, and I was handed a note from I believe Ms. Cervantes, but I'm not quite sure. But in any case, I got a little message pad note indicating that he had called for me, so I returned the call.

Q. And what courtroom were you in that day?

A. I think it was Department 88.

Q. That was Judge Sohigian's courtroom?

A. Right.

Q. And his clerk gave you a note, a message from Mr. Fagelbaum?

A. Well, I hesitate to get his clerk in trouble, but, yes.

Q. As far as you know?

A. Right.

Q. As far as you know, Mr. Fagelbaum had left a message for you?

A. Right.

Q. Did you know who he was?

A. I had spoken to him previously, so I knew something about him.

Q. When did you speak to him previously?

A. Maybe a year before. I'm not quite sure.

Q. And what was the subject of that previous conversation?

A. I don't recall.

Q. Did it have anything to do with the Church of Scientology?

A. It may have.

Q. Did you know that Mr. Fagelbaum was a lawyer that was litigating a case against something called the Religious Technology Center?

A. Right.

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Q. Tell me what your understanding of that is?

A. It's an arm of the organization.

Q. That wasn't something that you learned from Mr. Fagelbaum; is that right?

A. No.

Q. You knew that at the time?

A. Right.

Q. Do you know who Mr. Fagelbaum represents?

perhaps as an affidavit and perhaps with different headings with captions, four different cases, but at least the first one, the first original went to Michael Flynn.

Q. And this was for your litigation against the Church of Scientology is that right?

A. Well, I guess, yes.

Q. Okay.

MR. GREENE: Mr. Armstrong, don't guess.

THE WITNESS: Okay.

MR. GREENE: If you don't know, say that you don't know. Give your best estimate, but guessing is not a good idea.

THE WITNESS: It was to assist, it was to help in my battle with Scientology.

(Plaintiff's Exhibit 8 was marked.)

MR. WILSON: Q. Exhibit 8 is a pleading that is entitled too long for me to read, filed in a case in Central District Court of U.S. District Court, California.

Is that the declaration that you signed in Mr. Fagelbaum's office in the 27th of May?

A. It appears to be, yes.

Q. Is paragraph 4 where it refers to Exhibit C, which unfortunately we don't have here, is that the declaration that you have been testifying to?

A. Ask the question again.

MR. GREENE: Mr. Armstrong, with respect to any questions that are propounded to you about the authenticity of documents which are not before you, I instruct you not to answer.

MR. WILSON: On what basis?

MR. GREENE: No foundation.

MR. WILSON: All right.

Q. Let's do it this way then. You just testified that you authenticated a declaration for Mr. Fagelbaum; is that right?

A. Right.

Q. And paragraph 4 says "Attached hereto as Exhibit 'C' is a true and correct copy of a Supplemental Affidavit signed by myself in that litigation known as Tonja Burden v. Church of Scientology California, and it goes on.

A. Okay.

Q. We don't have that attached here. But as far as you know, when you signed the original of this declaration, was there an Exhibit C attached to it?

A. I saw Exhibit C at that time, yes.

Q. And did you recognize Exhibit C?

A. Yes.

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Q. What was it?

A. It was this, that document related to MCCS tape transcript.

Q. It was a declaration that you had previously given?

A. Well, it says here an affidavit, and I believe that it was an affidavit.

Just to go back so that we both, my recollection is this particular document was prepared and filed in a number of cases identical, except for its caption.

Q. And by that particular document, you're referring to the affidavit that is described in paragraph 4; is that right?

A. Right.

Q. Can you tell me in general what that affidavit says?

A. My recollection is that it contains a partial transcript of MCCS tapes.

Q. What are MCCS tapes?

A. They were tape recordings made concerning a, or mission called Mission Corporate Category Sort-Out. And they, in 1982, became part of what were known as the Armstrong documents, and then they became the subject of what is known as the Zolin litigation which involved the

U.S. Government. And they ultimately were found, I believe by the Ninth Circuit, to contain evidence of fraud which made them an exception to the attorney-client privilege, and they were released to the IRS.

Q. Now, you say that this declaration was filed in a number of different cases?

A. Right.

Q. One of them being the Burden case; right?

A. Right.

Q. Can you tell me the other cases, as far as you know, that this declaration was filed in?

A. I believe Van Schaick, McLean. I was told Toronto. Those were ones that I have some certainty about.

Q. Now, when was your affidavit filed in the Burden case, do you know?

A. I was not there specifically, but I believe 1982.

Q. Okay. And the Van Schaick case?

A. I believe also 1982.

Q. And the McLean case?

A. I believe also 1982.

Q. And Toronto?

A. I believe also 1982.

Q. And as far as you know, was it filed in any other case between 1982 and 1992 when you signed this declaration which has been marked as Exhibit 8?

A. I'm not certain. I believe, not with certainty, but I believe it was filed in Corydon.

Q. When, as far as you know?

A. Mid to late '80s.

A. I think also, I'm not sure again, the form or the caption that it had, but in government cases I think involving the IRS.

Q. When this declaration was first prepared, did you draft it or did somebody else draft it?

A. I believe that I transcribed part of the tape, and the partial transcription was sent to Michael Flynn from which a draft of the affidavit was sent back to me. And my recollection is that I edited the draft and prepared the final copy. But it may be that my edited draft then went back to Flynn and then was redone. I say that because I would not have put the caption on it which would have identified it as going to the Burden case, but rather I prepared the substance of it, and then that was put into the declaration or affidavit which had the caption on it.

Q. And this all occurred in approximately 1982?

A. I believe so. But I have authenticated the same affidavit a number of times in other litigation afterwards from the same document, either by authentication by another document or its new preparation and then new signature.

In fact, it just reminded me, I have a recollection of it also being used in the Wollersheim case or being authenticated for the Wollersheim lawyers.

Q. So there would be two ways that you would have either authenticated it in a form similar to Exhibit 8 or re-executed it with a different caption; is that accurate?

A. That's my recollection, yes.

Q. You would have done one of those two things in the cases that you testified to earlier; is that correct?

A. That's my recollection. As I say, it was done a number of times through the period that I was involved in the litigation.

Q. Now, prior to the time that you did it in June of '92, when was the next most recent time? Do you remember either authenticating it with an authenticating declaration or re-executing it?

A. Sometime during the time that I worked in the Flynn office.

Q. And that would have been when?

A. '85, '86.

Q. There was a period of time of somewhere between

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five and six years when you did not either re-authenticate or re-execute it; is that accurate?

A. Right.

Q. Have you ever known Gary Bright?

A. Yes.

Q. Who is Gary Bright?

A. He is another lawyer who represents David Mayo.

Q. In the RTC versus Scott case?

A. I believe so.

Q. And when did you meet Mr. Bright?

A. I think that the first time I met him was May 27.

Q. Of '92?

A. Right.

Q. Would that be in connection with executing this affidavit that we just discussed?

A. Yes.

Q. Have you met him any other times?

A. I have no recollection of meeting him.

Q. When you met with him, was Mr. Fagelbaum there?

A. Yes.

Q. How long did the meeting take?

A. A few minutes.

Q. Can you tell me what was discussed? Did they tell you anything about the case?

A. I asked them because I had heard about it, and I had not seen a copy of it, if I could have a copy or if they had a copy of the Kolts ruling in that case, and they did at that time give me the Kolts ruling.

They had another document, and I don't recall what it is right now, but I believe Exhibit B, which they asked me to authenticate. But I, my recollection is that I said I was not able to authenticate it.

Q. Do you remember what it was that you were asked to authenticate?

A. No.

Q. Okay.

A. And then I looked over the, this document and, and the two documents which I was asked to authenticate and I signed this document. And then we exchanged good-bys and I left.

Q. And no other subjects were discussed at the meeting?

A. I, no, I don't think so.

Q. Have you spoken to Mr. Fagelbaum since that meeting?

A. No.

Q. Have you spoken to Mr. Bright since that meeting?

A. No.

CERTIFICATE OF REPORTER

I, the undersigned, a Certified Shorthand Reporter of the State of California, hereby certify that the witness in the foregoing deposition was by me duly sworn to testify to the truth, the whole truth, and nothing but the truth in the within-entitled cause; that said deposition was taken at the time and place therein stated; that the testimony of said witness was reported by me, a Certified Shorthand Reporter and disinterested person, and was thereafter transcribed under my direction into typewriting; that the foregoing is a full, complete and true record of said testimony; and that the witness was given an opportunity to read and, if necessary, correct said deposition and to subscribe the same.

I further certify that I am not of counsel or attorney for either or any of the parties in the foregoing deposition and caption named, nor in any way interested in the outcome of the cause named in said action.

IN WITNESS WHEREOF, I have hereunder set my hand and affixed my signature this ______ day of ______, 19____ JUL 28 1992

CERTIFIED SHORTHAND REPORTER
STATE OF CALIFORNIA

IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF MARIN

--oOo--

CHURCH OF SCIENTOLOGY
INTERNATIONAL, a California
not-for-profit religious
corporation,

Plaintiff,

vs.

GERALD ARMSTRONG; DOES 1-25,
inclusive,

Defendants.

No. BC 052395

DEPOSITION OF

GERALD ARMSTRONG

Volume III

October 7, 1992

REPORTED BY: LARRY BOSTOW, CSR# 5941

A. Fair.

Q. All right. Mr. Armstrong, I'm going to hand you a document that has already been marked. It's a copy of a document previously marked as Exhibit 6 to your deposition. Take a look at it, please.

A. Yes.

Q. Now, Mr. Armstrong, that's the document that is the agreement which is the subject of the dispute in this litigation; is that correct?

A. Yes.

Q. And this is an agreement which you signed on December 6th, 1986; is that correct?

MR. GREENE: That's asked and answered.

Don't answer the question.

Go ahead.

MS. BARTILSON: It hasn't been answered as to this document.

MR. GREENE: Yeah, it has. Wilson went through all this. That's the agreement. That's Armstrong's signature.

Let's proceed.

Ask him something new.

Don't answer the question.

MS. BARTILSON: Actually, he hasn't, so I'm going to make the record.

Q. Mr. Armstrong, if you look at page 3, please, of the agreement: The signature that appears partway down the page is your signature; is that correct?

A. Yes.

Q. And if you look at page 16 of the agreement, the first signature on that page, appearing about halfway down, is your signature; is that correct?

A. Yes.

Q. Looking through the agreement: Those are your initials that appear on each page of the agreement; is that correct?

A. Yes.

Q. On the bottom right-hand corner?

A. Yes.

Q. And you made those initials yourself?

A. Yes.

Q. On December 6th, 1986?

A. Yes.

Q. If you would look, please, at paragraph 3 on page 2 of the agreement.

A. Yes.

Q. You see in that paragraph, it says, "Plaintiff has received payment of a certain monetary sum which is a portion of a total sum of money paid to his attorney, Michael J. Flynn."

Q. And all of the documents were returned, then, at some later time even if they weren't returned right then?

A. Right.

And just so we also understand about the use of the word "returned," because they were not returned to CSI because they never came from CSI.

Nevertheless, as long as we understand that, as far as acceptability by your organization, CSI was the designated recipient, and it was our understanding that when we were delivering documents to whomever, that that was honoring this clause of this affidavit.

Q. I understand.

Let's get the originals back to the court reporter.

Then let's mark 11.

(Whereupon Plaintiff's Exhibit 11 was marked.)

MS. BARTILSON: Q. So the court reporter has handed you an 11-page document with an Aznaran case caption, titled "Declaration of Gerald Armstrong in Opposition of Motion to Exclude Expert Testimony," and marked as Exhibit 11, and I would like you to take a look at it, please.

A. Did you ever read "Fear"?

Q. No.

Mr. Armstrong, have you had an opportunity to review the two-page declaration that is the beginning of Exhibit 11?

A. Yes.

Q. Is that a declaration that you drafted, sir?

A. Yes.

Q. Did you also --

A. Hold on a minute.

MR. GREENE: Hold it.

Any responses having to do with any communications that occurred in my office, between you and me or otherwise, I'm instructing you not to answer. You can authenticate this document, but as to its preparation, do not answer the question.

MS. BARTILSON: I can't ask him if he drafted this declaration?

MR. GREENE: You can ask him. I'm going to instruct him not to answer.

MS. BARTILSON: Let me make my record real quick here, then.

MR. GREENE: I'll just do it for you.

I will allow the witness to authenticate this document, which he's already done.

MS. BARTILSON: Actually, he hasn't.

MR. GREENE: If he hasn't, fine, have him authenticate it. Any questions about the document's preparation, I'm going to instruct him not to answer.

MS. BARTILSON: Okay.

Q. Mr. Armstrong, is that your signature on page 2 of the document?

A. Yes.

Q. And did you sign it on the 26th of August 1991, in San Anselmo, under penalty of perjury?

A. Yes.

Q. Looking at Exhibit 1 attached to the declaration, do you recall how it came into your possession?

MR. GREENE: Again, Mr. Armstrong, if, in your response to the question, you would disclose any communications or transactions which transpired between you and me or within the activities in my office, I would instruct you not to answer the question. If, on the other hand, your response would not include a disclosure of such information, you may.

THE WITNESS: Then I would not answer.

MS. BARTILSON: Q. Same question as to Exhibit 2.

MR. GREENE: And same admonition and instructions.

THE WITNESS: This one, I believe, I can answer differently.

MS. BARTILSON: Q. And what's your answer?

A. This document was in a Scientology book, and it -- I had a copy made, and it was originally filed in the Armstrong I case as an exhibit to a document. Then it was filed in the Court of Appeal as an exhibit, and it is my belief that the number "382" indicates that it comes from the document which was filed in the Court of Appeal.

MR. GREENE: Just so the record is clear: We're making a reference to a document entitled "Technical Bulletin of 22 July 1956" from the Hubbard Communications Office.

MS. BARTILSON: Yes. Which was marked as Exhibit 2. That's how we identified it.

Q. Mr. Armstrong, you say this was attached as an exhibit to something that was filed with the Court of Appeal.

Do you recall who filed it with the Court of Appeal?

A. I did.

Q. And when you filed it with the Court of Appeal, it was something that you yourself had copied from a book, is that correct? Or that you had copied from an exhibit that was part of the Armstrong I trial record?

A. That's correct, the latter.

Q. Okay. I just want to make sure I have the transition correct.

A. It had been an exhibit in one of the depositions taken in the Corydon case, and it was provided to me at that time.

Q. And this was your deposition in the Corydon case?

A. Correct.

Q. And who gave it to you at that time?

A. I do not recall if it came into my possession at exactly that time or if it later came into my possession as an exhibit to the deposition transcript. But in any case, it ended up with that set of materials.

Q. So you obtained a copy of the deposition transcript from the Corydon case?

A. Correct.

Q. And this was an exhibit?

A. Correct.

Q. I see.

Prior to that, had you had possession of this document?

A. No. Although -- Let me correct that.

In that it is a public document and is published by your organization, it was available in its raw, original form, but the photocopy of that document, I only obtained at that time.

Q. But did you have the other form of the document within the book, or whatever, prior to that?

A. No. I didn't have a book.

Q. Mr. Armstrong, do you know if Exhibit 11 was filed in the Aznaran case?

A. It is my belief that it was.

Q. Did you participate in any activity to ensure that it would be filed in that case?

MR. GREENE: Again, any conduct of yours, Mr. Armstrong, which occurred during the course, scope, of your employment by me, I am instructing you not to disclose. If you can answer the question without disclosing any of the procedures which took place in my office, then that's fine.

THE WITNESS: Then I think you should reask the question.

MS. BARTILSON: Q. Did you take any steps to ensure that this declaration would be filed in the Aznaran case?

MR. GREENE: Same admonition.

MS. BARTILSON: Q. It's a "Yes"-or-"No"

A. Do I think?

Q. Yes.

A. They may.

Q. Is there anyone else who may have knowledge of to whom it was sent?

A. Cable News Network and the Chronicle.

Q. Obviously, the recipient, but anyone else engaged in the sending or who would know about the sending besides the recipients?

A. I don't believe so.

Q. What about the San Francisco Examiner? Do you know if it was sent to the San Francisco Examiner?

A. I don't know.

Q. Do you know if it was sent to the Marin County Independent Journal?

A. What was your question?

Q. Do you know if it was sent to the Marin County Independent Journal?

A. I don't know.

Q. At the time that this press release was sent out, Mr. Greene was your attorney in this case; is that correct?

A. Yes.

Q. Earlier this year, Mr. Armstrong, you gave interviews to media representatives, did you not?

A. Yes.

Q. Do you recall approximately how many such interviews you've given in 1992?

A. I believe there has only been one interview which I would consider an interview, and that was with CNN.

Q. And were there other times when you spoke to reporters, or other media representatives, that you did not consider an interview?

A. Yes.

Q. Approximately how many of those?

A. I must retract that.

I consider that Bill Horne of the American Lawyer interviewed me.

And then additional contacts of any kind with the media, perhaps ten.

Q. All right. Let's look first at the interview with CNN.

Do you recall the date of that interview?

A. My recollection is March 20th, 1992.

Q. Do you recall if it was before or after the hearing held before Judge Dufficy in Marin County Superior Court on the motion for preliminary injunction?

A. Yes.

Q. Which was it, before or after?

A. After.

Q. The same day or the next day?

A. Same day.

Q. And where did this interview take place?

A. In Mr. Greene's office.

Q. Do you recall the name of the reporter?

A. Yes.

Q. And who was that?

A. Don Knapp, N-a-p-p (sic).

MR. GREENE: K-n --

THE WITNESS: K-n-a-p-p.

Thank you.

MS. BARTILSON: Q. And for approximately how long were you interviewed by Mr. Knapp?

A. Perhaps five minutes. Less.

Q. And was your lawyer also interviewed by Mr. Knapp?

A. Yes.

Q. Do you recall any of the substance of what you communicated to Mr. Knapp during the interview?

A. Yes.

Q. What was that?

A. It related to Scientology's practice of fair game and my knowledge of organizational and Hubbardian fraud.

Q. Knowledge which you had gained because of your years of experience with the organization, as you term it?

A. Correct.

Q. Was the interview videotaped?

A. Yes.

Q. Was the entirety of the interview videotaped, or were there times that you also spoke with Mr. Knapp that were not videotaped?

A. If, by that, you mean when, for example, I may have helped him out with his camera gear, opened the door for him and said "Good-by," or helped him move things around and exchanged comments of that nature, then, no. I think that's how to answer it.

MS. BARTILSON: Could you read back the question and the answer, because I'm not sure --

MR. GREENE: He said that there was no substance aside from courtesies that -- there was nothing -- nothing was videotaped except --

Go ahead. Read it back.

MS. BARTILSON: I'm not sure that was the answer to the question. I just want to see what we've got.

Okay.

(Whereupon the record was read.)

MS. BARTILSON: Okay. Thanks.

Q. The only substantive conversations you had with Mr. Knapp, concerning the matters that you've testified to as to what the interviews were, were on videotape; is that correct?

That was an unclear question.

A. The only substantive conversations which concerned that subject that I just spoke about were on videotape, yes.

Q. Were you present when your attorney was interviewed by Mr. Knapp?

A. Yes.

Q. Do you recall what it is that your attorney spoke about?

A. I recall him speaking about constitutional issues.

Q. Do you recall what constitutional issues?

A. Freedom of speech.

Q. Did Mr. Greene speak about freedom of speech in the abstract, or did he relate it to any particular factual circumstance?

A. I believe he related it to the concept of the organization's attempt, through the settlement agreement, to stifle freedom of speech and stifle the public's right to the knowledge of the organization's was aired by CNN.

MS. BARTILSON: Q. So you asked Mr. Knapp how you could go about doing that?

A. That's the gist of the conversation.

Q. Do you recall his reply?

A. Not specifically.

Q. Did you discuss anything else with Mr. Knapp besides the obtaining of the videotape of that segment?

A. It may have been that we discussed running briefly.

Q. Did you ever have any other occasion to speak with Mr. Knapp besides the two that you've now described?

A. No.

Q. Do you know who arranged for Mr. Knapp to come to Mr. Greene's office on March 20th?

A. No.

Q. Were you working in Mr. Greene's office on March 20th, 1992?

A. Yes.

Q. When were you interviewed by Bill Horne?

A. I believe in the spring, this year.

Q. Do you recall what month?

A. Not right now.

Q. Do you recall if it was before or after the

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A. That they must fully and honestly repudiate fair game and associated, related antisocial policies and they must settle openly and fairly.

Q. Anything else?

A. No.

Q. Do you recall anything that Mr. Greene said to Mr. Horne during the time that you were present while Mr. Greene was being interviewed by Mr. Horne?

A. No.

Q. Do you recall any of the subjects that he discussed?

A. I have a recollection of the settlement agreements being discussed.

Q. Do you recall what Mr. Greene said about the settlement agreements?

A. No.

Q. Any other subject that you can recall Mr. Greene discussing with Mr. Horne?

A. No.

Q. Have you spoken with Mr. Horne since your interview?

A. Yes.

Q. When was that?

A. Perhaps in July.

Q. '92?

CERTIFICATE OF REPORTER

I, the undersigned, a Certified Shorthand Reporter of the State of California, hereby certify that the witness in the foregoing deposition was by me duly sworn to testify to the truth, the whole truth, and nothing but the truth in the within-entitled cause; that said deposition was taken at the time and place therein stated; that the testimony of said witness was reported by me, a Certified Shorthand Reporter and disinterested person, and was thereafter transcribed under my direction into typewriting; that the foregoing is a full, complete and true record of said testimony; and that the witness was given an opportunity to read and, if necessary, correct said deposition and to subscribe the same.

I further certify that I am not of counsel or attorney for either or any of the parties in the foregoing deposition and caption named, nor in any way interested in the outcome of the cause named in said action.

IN WITNESS WHEREOF, I have hereunder set my hand and affixed my signature this_____day of OCT 23 1992, 19____

CERTIFIED SHORTHAND REPORTER
STATE OF CALIFORNIA

3500

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PLAINTIFF'S EXHIBIT 8
Armstrong
7-22-93

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JOHN NELSON, HARVEY HABER, VIVIEN ZEGEL AND DEDE REISDORF

UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

RELIGIOUS TECHNOLOGY CENTER, a California corporation, et al.,

Plaintiffs,

vs.

ROBIN SCOTT, an individual, et al.

Defendants.

RELIGIOUS TECHNOLOGY CENTER, a California corporation, et al.,

Plaintiffs,

vs.

LARRY WOLLERSHEIM, an individual, et al.,

Defendants.

AND RELATED COUNTER-CLAIMS

CV 85-711 JMI (Bx)
CV 85-7197 JMI (Bx)

SUPPORTING DECLARATION OF GERRY ARMSTRONG TO DEFENDANTS' AND COUNTER-CLAIMANTS' OPPOSITION TO PLAINTIFFS' AND COUNTER-DEFENDANTS' MOTION FOR PROTECTIVE ORDER RE FIFTH REQUEST FOR PRODUCTION OF DOCUMENTS OR THINGS AND FOR SANCTIONS

DATE: June 10, 1992
TIME: 5:00 P.M.
CTRM: Hon. James G. Kolts
Special Master,
Pasadena, Hilton

1451

DECLARATION OF GERRY ARMSTRONG

I, Gerry Armstrong, declare:

1. I am a party to that litigation known as Church of Scientology of California v. Gerald Armstrong, L.A.S.C. Case No. 420153 (hereinafter the "Armstrong" litigation).

2. I am familiar with the pleadings and records in the Armstrong litigation and submit this Declaration based upon my own personal knowledge of the matters contained herein, and if called as a witness, could and would competently testify thereto.

3. Exhibit "A" hereto are true and correct copies of Reporter's Transcripts of Proceedings held in the Armstrong litigation before the Honorable Paul G. Breckenridge, Jr.

4. Attached hereto as Exhibit "C" is a true and correct copy of a Supplemental Affidavit filed by myself in that litigation known as Tonja Burden v. Church of Scientology California, United States District Court, Middle District of Florida, Case No. 80-501-CIV-T-K.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct, and that this Declaration is made and executed this 27th day of May, 1992 at Los Angeles, California.

GERRY ARMSTRONG

HUB LAW OFFICES
Ford Greene, Esquire
California Bar No. 107601
711 Sir Francis Drake Boulevard
San Anselmo, California 94960-1949
Telephone: (415) 258-0360

Attorney for Plaintiffs
VICKI J. AZNARAN and
RICHARD N. AZNARAN

UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

VICKI J. AZNARAN and RICHARD N. AZNARAN,

Plaintiffs,

vs.

CHURCH OF SCIENTOLOGY OF CALIFORNIA, et al.,

Defendants.

AND RELATED COUNTER CLAIM

No. CV-88-1786-JMI(Ex)

DECLARATION OF GERALD ARMSTRONG IN OPPOSITION TO MOTION TO EXCLUDE EXPERT TESTIMONY

PLAINTIFF'S EXHIBIT
Armstrong 10-7-92
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I, GERALD ARMSTRONG, declare:

1. I was a Scientologist from 1969 to 1981 and held many organizational positions during that period. I was also the defendant in an action entitled Church of Scientology vs. Armstrong, in Los Angeles Superior Court. Judge Breckenridge's opinion in that case was affirmed by the California Court of Appeal on July 29, 1991.

2. Throughout 1980 and 1981 I was L. Ron Hubbard's biographical researcher and archivist. During that period I read

and studied his letter dated September 7, 1955 to the Federal Bureau of Investigation and I provided a copy of it to writer, Omar V. Garrison for his use in a biography of Hubbard. A true and correct copy thereof is attached hereto as Exhibit 1.

3. While I was a Scientologist I read and studied L. Ron Hubbard's Technical Bulletin of July 22, 1956. It was published in the 1970's in bound volumes of Hubbard's "technical" writings and has continued to be published in later volumes up to the present time. A true and correct copy is attached hereto as Exhibit 2.

Under penalty of perjury, pursuant to the laws of the United States I hereby declare that the foregoing is true and correct. Executed this 26th day of August, 1991, at San Anselmo, California.

G.

GERALD ARMSTRONG

EXHIBIT 1

RON HUBBARD. D.D. PH.

(51) 3505

Box 242
Silver Spring, Md.
Sept. 7, 1955

TO THE FEDERAL BUREAU OF INVESTIGATION
Communist Activities

Gentlemen: L. Ron Hubbard

A series of sudden insanities and disturbances in Dianetic and Scientology groups reached seven last week on the West Coast.

In Atomic Energy's Richland, Washington a young boy who had never been treated with Dianetics or Scientology but whose father Verne McAdams is the local Scientology group leader in Richland suddenly and mysteriously became insane, so suddenly and so thoroughly that the head of the institution for insane in Richland, evidently of good security, suspects the use of LSD, the insanity producing drug so favored by the APA. Two of our ministers in that area at my request went further into the situation and by means we will not detail recovered from the boy information of which his family had been entirely ignorant. On instructions to find the "other psychiatrist" our ministers by this means located an unsuspected one in Atomic Energy's front yard, a man who had been the construction company doctor during the building of Richland and who had then turned psychiatrist and whose name strangely enough is Menkowski (sp?). The boy had evidently had some association with this man before this sudden onset.

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With this information not yet cool long distance from San Francisco Bay Area notified us of the sudden and inexplicable descent into insanity of one Wanda Collins. She is ravingly insane and yet was completely sane a day ago. Her people and our people cannot account for a missing nine hour period just before this onset. You should be interested in this because Wanda Collins resigned from the Communist Party some time ago, foreswore it and tried to make amends with Scientology and would be a logical candidate for an LSD attack.

SEE REVERSE SIDE FOR ADD. DISSEMINATION.

RECORDED-104

Concurrently with this in Phoenix Arizona

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SEP 20 1955

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(51) 3506

our Mr. Edd Clark was suddenly arrested "for practising medicine without a license", and this is very odd because he is the first Dianeticist or Scientologist in five years of world wide operation to be so accused. He could not have been practising medicine because Dianetics and Scientology seek only to assist able people to improve their talents and have no interest in sickness or insanity. He was arrested and without any search warrant all his papers and letters were seized even down to blank typewriter paper and were carried away, a fact which places this matter quite solidly in the field of the F.B.I.. Mr. Clark is a half-blind deaf old man. He was once a chiropractor but has long since ceased to be one. He was told by the County Attorney that the County Attorney meant to "get to the bottom of this thing about Hubbard and Scientology."

The "bottom of the thing" can be found in "Who Knows and What" and "Who's Who in the East" in the local library or from bookstores which carry my books. My own life is about as hard to investigate as a white rock on a summer's day.

It is not uncommon in the past five years to have judges and attorneys mad-dogged at about what a terrible person I am and how foul is Scientology. Persons never named or available step in, spread violent tales and accusations and vanish. This mad-dogging has evidently been done at this County Attorney to prompt such a foolish action. This makes the third civil official in that area to go off half-cocked about Scientology. When it is all done and Scientology has been neatly ruined by the newspapers in the area and when all the charges have been quashed there is no one from whom any recompense can be drawn. "It was all a mistake"...

In 1950 the Dianetics Foundations were violently attacked and discredited. The 200 Foundation employees, when screened, yielded 35 Communist-connected persons. That done the commotion stopped. After three quiet years in the Phoenix area we forwarded to the Defense Department data on brain-washing. Instantly

(13)

we became the subject of violence. Four people were seized by psychiatrists in that area to date and to this day so far as I know are still being held, their sanity shattered.

After we so informed the Defense Department about brain-washing technologies in our hands and offered them, we have been in a state of siege. Understand that we accuse the D.D. of nothing.

Psychiatrists as far north as Seattle have said they were "out to get every Scientologist." An Internal Revenue official has used those very words before witnesses and said he was going to get to the bottom of this thing in Phoenix. People in suspicious condition were sent from one place in Southern California to be "treated by Scientology" for insanity and yet we have no interest in treating anyone, especially the insane. Now two more people go suddenly and inexplicably insane in widely different places both the same way. All manner of defamatory rumors have been scattered around about me, questioning even my sanity which is fortunately a matter of good record with the Navy as by statement "having no psychotic or neurotic symptoms whatsoever."

I have a wife and three little kids. I have a good many thousand people scattered around the world trying to help their fellow man and I am responsible for these people. I am trying to turn out some monographs on matters in my field of nuclear physics and psychology for submission to the government on the subject of alleviating some of the distress of radiation burns, a project I came east to complete. This lawless and brutal attack on Scientology now spreading evidently to three states will probably not end until a great deal of injustice and human suffering has occurred.

Would you please discover for me or for yourselves the exact names and whereabouts of the persons whose statements inflamed the County Attorney in Phoenix in arresting a half-blind old man and seizing all his books and papers. If we have those names and if we trace them back we will have someplace to start on this madness which now reaches into three states. Can you do this for us?

I am getting additional copies of the material which was offered to the Defense Department since that agency has not acknowledged or returned anything shipped to it about brain-washing and when I have these copies I will send one to you for this is the only starting place I know about for this outbreak and the matter, while far from conclusive at least tells me that something went astray which was dangerous in the wrong hands.

Could you please have your Phoenix office obtain the names of the people who defamed us to the County Attorney? Your Bay Area and Richland offices have already been apprised of the incidents in those areas.

L. Ron Hubbard

EXHIBIT 2

HUBBARD COMMUNICATIONS OFFICE
217a Kensington High Street, London W.8

RUSH July 22nd, 1956

To U.S. ONLY Julia Lewis, Dick Steves, L. Ron Hubbard, Jnr.

To England ONLY Association Secretary (Jack Parkhouse)
Director of Processing (Ann Walker)
Director of Training (Dennis Stephens)

Staff Auditors, Instructors and Auditors close to Operation only.

TECHNICAL BULLETIN OF 22 JULY 1956

I feel the urge to communicate to you the best news since 1950.

I have whipped the problems of the whole track and memory of the past and can resolve the worst cases we have ever had. That is a huge statement *but* I have solved and can untangle in an intensive the problems of the vacuum and havingness plus memory and health and have just done so. Hence the exuberance.

Also, other auditors can solve these in a case as well. NIBS has just cracked two six-year-standing Black Fives using some of this material and Herbie Parkhouse has had considerable luck with solids.

We are now capable of solving Book One style cases to the extreme level of clear.

No wild burst of enthusiasm is here intended. I have to put the finishing touches on a lot of things and the process is still slow—25 to 75 hours. But I've now done it and seen it done to worse cases than any you've had. And that's fact!

Okay. It's not simple. It requires a minute understanding of Book One. It would take me 50 pages to explain all I've lately found about vacuums. You haven't seen the last of me or of study, but you will have seen the last of unsuccessful cases providing only that we have time and environment in which to audit them.

We can make homo novis. (AND give a grin to those who kept standing around bleating, "Where are the clears?")

We know more about life now than life does—for a fact, since *it* was reaching, *we* can communicate about the reactions.

The process is concerned with "making it solid" combined with effects. It isn't easy. It is wonderfully complex and delicate. But it *has* been done. And it is being done.

Our cases gained but sometimes slumped. Why? Because an electronic vacuum restimulated on the track after sessions, and robbed the case's havingness.

A vacuum isn't a hole. It's a collapsed bank. Every lifetime bank is collapsed into a vacuum.

The formula is—

1. Run pc on start-change and stop for *hours* until he is under auditor's control, in session and (often) exteriorized.
2. Then run him with commands "What are you looking at?" "Good." "Make it solid."

   He will eventually hit a vacuum. (He'd hit it faster on "Recall a can't have" but it's too fast.) Here's the tangle. The vacuum is a super-cold mass or an electric shock. This "drank up" bank electronically (brainwashed him). The energy drunk turned black. Hence black cases. (Does not apply only to black cases however.)
3. Run, interspersed with solids and "objective can't have" on the room, "Tell me an effect object (that drank bank) could *not* have on you," and "Tell me an effect you could have on object." Object may be electrodes or supercold plate or even a supercold glass.

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Caution, handle one vacuum at a time. These vacuums go back for 76 Trillion years. They were the original brainwash thetans did to one another, then psychiatrists (on the whole track) did expertly (modern psychiatrists are *punks*, modern shock too feeble to do more than restimulate old vacuums).

Take the vacuum that comes up running solids, or even "Recall a can't have", whatever it is and solve it as above.

This is delicate auditing. If you restimulate a vacuum too hard, the whole track groups on it.

Read Book One. Add vacuums instead of word groupers, use above and you'll probably get through to success. Nibs did and I had given him less than you have here. Of course, he's one of the best auditors in the business, so go easy. And Herbie Parkhouse is no slouch.

CAUTIONARY

This is true—

1. We have created the *permanent* stable clear.
2. In creating him we have a homo novis in the full sense, not just an Operating Thetan.
3. We now know more than life. An oddity indeed!
4. We now know more about psychiatry than psychiatrists. We can brainwash faster than the Russians (20 secs to total amnesia against three years to slightly confused loyalty).
5. We can undo whatever psychiatrists do, even the tougher grade from away back. We can therefore undo a brainwash in 25 to 75 hours.
6. We can create something better than that outlined and promised in Book One.

BUT

1. We need to know more and be more accurate than ever before about the time track and auditing. I have not given a thousandth of what I know about this.
2. We have a new game but also new responsibilities amongst men.
3. This data in the wrong hands before we are fully prepared could raise the Devil Eternally.
4. Because we know more than the Insanity Gang, we're not fighting them.
5. Because we can undo what we do, we must retain a fine moral sense, tougher by far than any of the past.
6. We can create better than in Book One now *only* if we know Book One and know our full subject.

AND WE DO NOT YET KNOW ALL THE SAFETY PRECAUTION TO BE USED.

I will be giving this data in full at the Games Congress, Shoreham Hotel, WASHINGTON, D.C., August 31st, to September 3rd, 1956.

The exact regimen of this will be SLP 8 and will include the total picture of separating valences from bodies (which must still be done by the auditor, a formula I now have).

I have given you this data in this bulletin at this time because now I know I know and I want you to share in seeing the surge of vision which will be our future.

L. RON HUBBARD

P.S. (Actually, contrary to rumor, it *hasn't* all been done before. If it had been, the guy who is saying it has would be clear!)

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EXHIBIT 4 PAGE 9

MUTUAL RELEASE OF ALL CLAIMS AND SETTLEMENT AGREEMENT

1. This Mutual Release of All Claims and Settlement Agreement is made between Church of Scientology International (hereinafter "CSI") and Gerald Armstrong, (hereinafter "Plaintiff") Cross-Complainant in Gerald Armstrong v. Church of Scientology of California, Los Angeles Superior Court, Case No. 420 153. By this Agreement, Plaintiff hereby specifically waives and releases all claims he has or may have from the beginning of time to and including this date, including all causes of action of every kind and nature, known or unknown for acts and/or omissions against the officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel of CSI as well as the Church of Scientology of California, its officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel; Religious Technology Center, its officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel; all Scientology and Scientology affiliated organizations and entities and their officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel; Author Services, Inc., its officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel; L. Ron Hubbard, his heirs, beneficiaries, Estate and its executor; Author's Family Trust, its beneficiaries and its trustee; and Mary Sue Hubbard, (all hereinafter collectively referred to as the

PLAINTIFF'S EXHIBIT
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"Releasees"). The parties to this Agreement hereby agree as follows:

2. It is understood that this settlement is a compromise of doubtful and disputed claims, and that any payment is not to be construed, and is not intended, as an admission of liability on the part of any party to this Agreement, specifically, the Releasees, by whom liability has been and continues to be expressly denied. In executing this settlement Agreement, Plaintiff acknowledges that he has released the organizations, individuals and entities listed in the above paragraph, in addition to those defendants actually named in the above lawsuit, because among other reasons, they are third party beneficiaries of this Agreement.

3. Plaintiff has received payment of a certain monetary sum which is a portion of a total sum of money paid to his attorney, Michael J. Flynn. The total sum paid to Mr. Flynn is to settle all of the claims of Mr. Flynn's clients. Plaintiff's portion of said sum has been mutually agreed upon by Plaintiff and Michael J. Flynn. Plaintiff's signature below this paragraph acknowledges that Plaintiff is completely satisfied with the monetary consideration negotiated with and received by Michael J. Flynn. Plaintiff acknowledges that there has been a block settlement between Plaintiff's attorney, Michael J. Flynn, and the Church of Scientology and Churches and entities related to the Church of Scientology, concerning all of Mr. Flynn's clients who were in litigation with any Church of Scientology or related entity. Plaintiff has received a portion of this block.

amount, the receipt of which he hereby acknowledges. Plaintiff understands that this amount is only a portion of the block settlement amount. The exact settlement sum received by Plaintiff is known only to Plaintiff and his attorney, Michael J. Flynn, and it is their wish that this remain so and that this amount remain confidential.

Signature line for Gerald Armstrong

4. For and in consideration of the above described consideration, the mutual covenants, conditions and release contained herein, Plaintiff does hereby release, acquit and forever discharge, for himself, his heirs, successors, executors, administrators and assigns, the Releasees, including Church of Scientology of California, Church of Scientology International, Religious Technology Center, all Scientology and Scientology affiliated organizations and entities, Author Services, Inc. (and for each organization or entity, its officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel); L. Ron Hubbard, his heirs, beneficiaries, Estate and its executor; Author's Family Trust, its beneficiaries and trustee; and Mary Sue Hubbard, and each of them, of and from any and all claims, including, but not limited to, any claims or causes of action entitled Gerald Armstrong v. Church of Scientology of California, Los Angeles Superior Court, Case No. 420 153 and all demands, damages, actions and causes of actions of every kind and nature, known or unknown,

for or because of any act or omission allegedly done by the Releasees, from the beginning of time to and including the date hereof. Therefore, Plaintiff does hereby authorize and direct his counsel to dismiss with prejudice his claims now pending in the above referenced action. The parties hereto will execute and cause to be filed a joint stipulation of dismissal in the form of the one attached hereto as Exhibit "A".

A. It is expressly understood by Plaintiff that this release and all of the terms thereof do not apply to the action brought by the Church of Scientology against Plaintiff for Conversion, Fraud and other causes of action, which action has already gone to trial and is presently pending before the Second District, Third Division of the California Appellate Court (Appeal No. B005912). The disposition of those claims are controlled by the provisions of the following paragraph hereinafter.

B. As of the date this settlement Agreement is executed, there is currently an appeal pending before the California Court of Appeal, Second Appellate District, Division 3, arising out of the above referenced action delineated as Appeal No. B005912. It is understood that this appeal arises out of the Church of Scientology's complaint against Plaintiff which is not settled herein. This appeal shall be maintained notwithstanding this Agreement. Plaintiff agrees to waive any rights he may have to take any further appeals from any decision eventually reached by the Court of Appeal or any rights he may have to oppose (by responding brief or any other means) any further appeals taken by the Church of

Scientology of Ca. fornia. The Church of Sc ntology of California shall have the right to file any further appeals it deems necessary.

5. For and in consideration of the mutual covenants, conditions and release contained herein, and Plaintiff dismissing with prejudice the action Gerald Armstrong v. Church of Scientology of California, Los Angeles Superior Court, Case No. 420 153, the Church of Scientology of California does hereby release, acquit and forever discharge for itself, successors and assigns, Gerald Armstrong, his agents, representatives, heirs, successors, assigns, legal counsel and estate and each of them, of and from any and all claims, causes of action, demands, damages and actions of every kind and nature, known or unknown, for or because of any act or omission allegedly done by Gerald Armstrong from the beginning of time to and including the date hereof.

6. In executing this Agreement, the parties hereto, and each of them, agree to and do hereby waive and relinquish all rights and benefits afforded under the provisions of Section 1542 of the Civil Code of the State of California, which provides as follows:

> "A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

7. Further, the undersigned hereby agree to the following:

A. The liability for all claims is expressly denied by the parties herein released, and this final compromise and settlement thereof shall never be treated as an admission of liability or responsibility at any time for any purpose.

B. Plaintiff has been fully advised and understands that the alleged injuries sustained by him are of such character that the full extent and type of injuries may not be known at the date hereof, and it is further understood that said alleged injuries, whether known or unknown at the date hereof, might possibly become progressively worse and that as a result, further damages may be sustained by Plaintiff; nevertheless, Plaintiff desires by this document to forever and fully release the Releasees. Plaintiff understands that by the execution of this release no further claims arising out of his experience with, or actions by, the Releasees, from the beginning of time to and including the date hereof, which may now exist or which may exist in the future may ever be asserted by him or on his behalf, against the Releasees.

C. Plaintiff agrees to assume responsibility for the payment of any attorney fee, lien or liens, imposed against him past, present, or future, known or unknown, by any person, firm, corporation or governmental entity or agency as a result of, or growing out of any of the matters referred to in this release. Plaintiff further agrees to hold harmless the parties herein released, and each of them, of and from any liability arising therefrom.

D. Plaintiff agrees never to create or publish or attempt to publish, and/or assist another to create for publication by means of magazine, article, book or other similar form, any iting or to broadcast or o assist another to create, write, film or video tape or audio tape any show, program or movie, or to grant interviews or discuss with others, concerning their experiences with the Church of Scientology, or concerning their personal or indirectly acquired knowledge or information concerning the Church of Scientology, L. Ron Hubbard or any of the organizations, individuals and entities listed in Paragraph 1 above. Plaintiff further agrees that he will maintain strict confidentiality and silence with respect to his experiences with the Church of Scientology and any knowledge or information he may have concerning the Church of Scientology, L. Ron Hubbard, or any of the organizations, individuals and entities listed in Paragraph 1 above. Plaintiff expressly understands that the non-disclosure provisions of this subparagraph shall apply, inter alia, but not be limited, to the contents or substance of his complaint on file in the action referred to in Paragraph 1 hereinabove or any documents as defined in Appendix "A" to this Agreement, including but not limited to any tapes, films, photographs, recastings, variations or copies of any such materials which concern or relate to the religion of Scientology, L. Ron Hubbard, or any of the organizations, individuals, or entities listed in Paragraph 1 above. The attorneys for Plaintiff, subject to the ethical limitations restraining them as promulgated by the state or federal regulatory associations or agencies, agree not to disclose any of the terms and conditions of the settlement negotiations, amount of the settlement, or statements made by either party during settlement conferences. Plaintiff agrees that if the terms of this paragraph are breached by him, that CSI and the other Releasees would be entitled to liquidated damages in the amount of $50,000 for each such breach. All monies received to induce or in payment for a breach of this Agreement, or any part thereof, shall be held in a constructive trust pending the outcome of any litigation over said breach. The amount of liquidated damages herein is an estimate of the damages that each party would suffer in the event this Agreement is breached. The reasonableness of the amount of such damages are hereto acknowledged by Plaintiff.

E. With exception to the items specified in Paragraph 7(L), Plaintiff agrees to return to the Church of Scientology International at the time of the consummation of this Agreement, all materials in his possession, custody or control (or within the possession, custody or control of his attorney, as well as third parties who are in possession of the described documents), of any nature, including originals and all copies or summaries of documents defined in Appendix "A" to this Agreement, including but not limited to any tapes, computer disks, films, photographs, recastings, variations or copies of any such materials which concern or relate to the religion of Scientology, L. Ron Hubbard or any of the organizations, individuals or entities listed in Paragraph 1 above, all evidence of any nature, including evidence obtained from the named defendants through discovery, acquired for the purposes of this lawsuit or any lawsuit, or acquired for any other purpose concerning any Church of Scientology, any financial or administrative materials concerning any Church of Scientology, and any materials relating personally to L. Ron Hubbard, his family, or his estate. In addition to the documents and other items to be returned to the Church of Scientology International listed above and in Appendix "A", Plaintiff agrees to return the following:

(a) All originals and copies of the manuscript for the work "Excalibur" written by L. Ron Hubbard;

(b) All originals and copies of documents commonly known as the "Affirmations" written by L. Ron Hubbard; and

(c) All documents and other items surrendered to the Court by Plaintiff and his attorneys pursuant to Judge Cole's orders of August 24, 1982 and September 4, 1982 and all documents and other items taken by the Plaintiff from either the Church of Scientology or Omar Garrison. This includes all documents and items entered into evidence or marked for identification in Church of Scientology of California v. Gerald Armstrong, Case No. C 420 153. Plaintiff and his attorney will execute a Joint Stipulation or such other documents as are necessary to obtain these documents from the Court. In the event any documents or other items are no longer in the custody or control of the Los Angeles Superior Court, Plaintiff and his counsel will assist the Church in recovering these documents as quickly as possible, including but not limited to those tapes and other documents now in the possession of the United States District Court in the case of United States v. Zolin, Case No. CV

85-0440-HLH(Tx), esently on appeal in the .nth Circuit Court of Appeals. In the event any of these documents are currently lodged with the Court of Appeal, Plaintiff and his attorneys will cooperate in recovering those documents as soon as the Court of Appeal issues a decision on the pending appeal.

To the extent that Plaintiff does not possess or control documents within categories A-C above, Plaintiff recognizes his continuing duty to return to CSI any and all documents that fall within categories A-C above which do in the future come into his possession or control.

F. Plaintiff agrees that he will never again seek or obtain spiritual counselling or training or any other service from any Church of Scientology, Scientologist, Dianetics or Scientology auditor, Scientology minister, Mission of Scientology, Scientology organization or Scientology affiliated organization.

G. Plaintiff agrees that he will not voluntarily assist or cooperate with any person adverse to Scientology in any proceeding against any of the Scientology organizations, individuals, or entities listed in Paragraph 1 above. Plaintiff also agrees that he will not cooperate in any manner with any organizations aligned against Scientology.

H. Plaintiff agrees not to testify or otherwise participate in any other judicial, administrative or legislative proceeding adverse to Scientology or any of the Scientology Churches, individuals or entities listed in Paragraph 1 above unless compelled to do so by lawful subpoena or other lawful process. Plaintiff shall not make himself amenable to service of any such subpoena in a manner which invalidates the intent of this provision. Unless required to do so by such subpoena, Plaintiff agrees not to discuss this litigation or his experiences with and knowledge of the Church with anyone other than members of his immediate family. As provided hereinafter in Paragraph 18(d), the contents of this Agreement may not be disclosed.

I. The parties hereto agree that in the event of any future litigation between Plaintiff and any of the organizations, individuals or entities listed in Paragraph 1 above, that any past action or activity, either alleged in this lawsuit or activity similar in fact to the evidence that was developed during the course of this lawsuit, will not be used by either party against the other in any future litigation. In other words, the "slate" is wiped clean concerning past actions by any party.

J. It is expressly understood and agreed by Plaintiff that any dispute between Plaintiff and his counsel as to the proper division of the sum paid to Plaintiff by his attorney of record is between Plaintiff and his attorney of record and shall in no way affect the validity of this Mutual Release of All Claims and Settlement Agreement.

K. Plaintiff hereby acknowledges and affirms that he is not under the influence of any drug, narcotic, alcohol or other mind-influencing substance, condition or ailment such that his ability to fully understand the meaning of this Agreement and the significance thereof is adversely affected.

L. Notwithstanding the provisions of Paragraph 7(E) above, Plaintiff shall be entitled to retain any artwork created by him which concerns or relates to the religion of Scientology, L. Ron Hubbard or any of the organizations, individuals or entities listed in Paragraph 1 above provided that such artwork never be disclosed either directly or indirectly, to anyone. In the event of a disclosure in breach of this Paragraph 7(L), Plaintiff shall be subject to the liquidated damages and constructive trust provisions of Paragraph 7(D) for each such breach.

8. Plaintiff further agrees that he waives and relinquishes any right or claim arising out of the conduct of any defendant in this case to date, including any of the organizations, individuals or entities as set forth in Paragraph 1 above, and the named defendants waive and relinquish any right or claim arising out of the conduct of Plaintiff to date.

9. This Mutual Release of All Claims and Settlement Agreement contains the entire agreement between the parties hereto, and the terms of this Agreement are contractual and not a mere recital. This Agreement may be amended only by a written instrument executed by Plaintiff and CSI. The parties hereto have carefully read and understand the contents of this Mutual Release of All Claims and Settlement Agreement and sign the same of their own free will, and it is the intention of the parties to be legally bound hereby. No other prior or contemporaneous agreements, oral or written, respecting such matters, which are not specifically

incorporated here shall be deemed to in a way exist or bind any of the parties hereto.

10. Plaintiff agrees that he will not assist or advise anyone, including individuals, partnerships, associations, corporations, or governmental agencies contemplating any claim or engaged in litigation or involved in or contemplating any activity adverse to the interests of any entity or class of persons listed above in Paragraph 1 of this Agreement.

11. The parties to this Agreement acknowledge the following:

A. That all parties enter into this Agreement freely, voluntarily, knowingly and willingly, without any threats, intimidation or pressure of any kind whatsoever and voluntarily execute this Agreement of their own free will;

B. That all parties have conducted sufficient deliberation and investigation, either personally or through other sources of their own choosing, and have obtained advice of counsel regarding the terms and conditions set forth herein, so that they may intelligently exercise their own judgment in deciding whether or not to execute this Agreement; and

C. That all parties have carefully read this Agreement and understand the contents thereof and that each reference in this Agreement to any party includes successors, assigns, principals, agents and employees thereof.

12. Each party shall bear its respective costs with respect to the negotiation and drafting of this Agreement and

all acts required by the terms hereof to be undertaken and performed by that party.

13. To the extent that this Agreement inures to the benefit of persons or entities not signatories hereto, this Agreement is hereby declared to be made for their respective benefits and uses.

14. The parties shall execute and deliver all documents and perform all further acts that may be reasonably necessary to effectuate the provisions of this Agreement.

15. This Agreement shall not be construed against the party preparing it, but shall be construed as if both parties prepared this Agreement. This Agreement shall be construed and enforced in accordance with the laws of the State of California.

16. In the event any provision hereof be unenforceable, such provision shall not affect the enforceability of any other provision hereof.

17. All references to the plural shall include the singular and all references to the singular shall include the plural. All references to gender shall include both the masculine and feminine.

18.(A) Each party warrants that they have received independent legal advice from their attorneys with respect to the advisability of making the settlement provided for herein and in executing this Agreement.

(B) The parties hereto (including any officer, agent, employee, representative or attorney of or for any party) acknowledge that they have not made any statement, representation or promise to the other party regarding any fact material to this Agreement except as expressly set forth herein. Furthermore, except as expressly stated in this Agreement, the parties in executing this Agreement do not rely upon any statement, representation or promise by the other party (or of any officer, agent, employee, representative or attorney for the other party).

(C) The persons signing this Agreement have the full right and authority to enter into this Agreement on behalf of the parties for whom they are signing.

(D) The parties hereto and their respective attorneys each agree not to disclose the contents of this executed Agreement. Nothing herein shall be construed to prevent any party hereto or his respective attorney from stating that this civil action has been settled in its entirety.

(E) The parties further agree to forbear and refrain from doing any act or exercising any right, whether existing now or in the future, which act or exercise is inconsistent with this Agreement.

19. Plaintiff has been fully advised by his counsel as to the contents of this document and each provision hereof. Plaintiff hereby authorizes and directs his counsel to dismiss with prejudice his claims now pending in the action entitled Gerald Armstrong v. Church of Scientology of California, Los Angeles Superior Court, Case No. 420 153.

20. Notwithstanding the dismissal of the lawsuit pursuant to Paragraph 4 of this Agreement, the parties hereto agree that the Los Angeles Superior Court shall retain

jurisdiction to enforce the terms of this Agreement. This Agreement may be enforced by any legal or equitable remedy, including but not limited to injunctive relief or declaratory judgment where appropriate. In the event any party to this Agreement institutes any action to preserve, to protect or to enforce any right or benefit created hereunder, the prevailing party in any such action shall be entitled to the costs of suit and reasonable attorney's fees.

21. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be a duplicate original, but all of which, together, shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, on the date opposite their names.

Dated: December 6, 1986

GERALD ARMSTRONG

Witness

Witness

Dated: 12/6/86

APPROVED AS TO FORM AND CONTENT:

M. J. Flynn

MICHAEL J. FLYNN
Attorney for
GERALD ARMSTRONG

Dated: December 11, 1986

Heber C. Jentzsch

for
CHURCH OF SCIENTOLOGY
INTERNATIONAL

APPENDIX A

1. As used herein, the term "document" or "documents" include but are not limited to all originals, file copies and copies not identical to the original, no matter how prepared, of all writings, papers, notes, records, books and other tangible things including, by way of example and not of limitation, the following:

a. Memoranda, notes, calendars, appointment books, shorthand or stenographer's notebooks, correspondence, letters and telegrams, whether received, sent, filed or maintained internally;

b. Drafts and notes, whether typed, penciled or otherwise, whether or not used;

c. Minutes, reports and summaries of meetings;

d. Contracts, agreements, understandings, commitments, proposals and other business dealings;

e. Recordings, transcriptions and memoranda or notes made of any telephone or face-to-face oral conversations between or among persons;

f. Dictated tapes or other sound recordings;

g. Computer printouts or reports and the applicable program or programs therefor;

h. Tapes, cards or any other means by which data are stored or preserved electrically, electronically, magnetically or mechanically, and the applicable program or program therefor (from which plaintiff may reproduce or cause to be reproduced such data in written form);

i. Pictures, drawings, photographs, charts or other graphic representations;

j. Checks, bills, notes, receipts, or other evidence of payment;

k. Ledgers, journals, financial statements, accounting records, operating statements, balance sheets and statements of account.

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Attorneys for Plaintiff
CHURCH OF SCIENTOLOGY INTERNATIONAL

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF MARIN

CHURCH OF SCIENTOLOGY INTERNATIONAL, a California not-for-profit religious corporation;

Plaintiff,

vs.

GERALD ARMSTRONG; DOES 1 through 25, inclusive,

Defendants.

Case No. 152229

DECLARATION OF LAWRENCE E. HELLER

I, LAWRENCE E. HELLER, hereby declare:

1. I am an attorney at law duly licensed to practice before all of the courts of the State of California and am a partner in the law firm of Turner, Gerstenfeld, Wilk & Tigerman. I have personal knowledge of the matters set forth below, and if called upon to do so, could and would competently testify thereto.

2. In 1986 I assisted various Churches of Scientology to achieve the settlement of a series of lawsuits with attorney

Michael J. [illegible]ynn and a several other a[illegible]rneys around the country, who represented a number of plaintiffs and witnesses against those Churches of Scientology. Gerald Armstrong was one of these plaintiffs.

3. To finalize this settlement with Armstrong, I met with Mr. Armstrong and his attorney, Michael Flynn, in Los Angeles on December 6, 1986. I was present when Mr. Armstrong, in the presence of his attorney signed the Settlement Agreement with the Church of Scientology International. This meeting and signing was video taped.

4. Attached as Exhibit A to this Declaration is a copy of the video tape made at that meeting. I have reviewed this tape and state that it accurately depicts all of the events of that meeting.

5. Attached as Exbit B is a copy of the transcript of that video tape. I have reviewed this transcript against the video, itself, and state that it is an accurate transcription of the video.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 2nd day of March, 1992, at Los Angeles, California.

Lawrence E. Heller

Exhibit A

Exhibit B

TRANSCRIPT OF GERALD ARMSTRONG V. [illegible] RECORDING OF SETTLEMENT AGREEMENT SIGNING

Appearances: December 6, 1986

LH: Larry Heller

GA: Gerald Armstrong

MF: Michael Flynn

JR: Jo Ann Richardson (Notary)

MS: Michael Sutter (Witness)

BEGINNING OF TAPE

LH This is fine, that covers everything and um, we're alright.

MF How many you got there?

LH Well I got the two affidavits for, then I got these here which, um, we don't have to sign these on video tape - we can do it if you like...

MF It makes no difference to me.

LH It's all the same to me too...

LH OK. It's now 9:04, ah, pm on December 6 1986 and to my left is Gerald Armstrong and next to him Michael J. Flynn. Um, Mr. Armstrong, I understand Mr. Flynn is your attorney here representing you today, is that correct?

GA Right.

LH OK. Ah, Mr. Armstrong I'm going to ask you to sign three documents, ah, a mutual release of all claims and settlement agreement, and two separate affidavits. Prior to doing so however, I would like to ask you some questions with regard to those documents, um-hum, excuse me, which I would like you to answer freely and honestly if you would. Ah, first of all have you had a chance to, ah, completely and comprehensively review and read these documents?

GA Yeah.

LH OK. Have you had a chance to discuss these documents with your attorney, Mr. Flynn?

GA Yes.

LH Has Mr. Flynn explained these documents as well the legal and factual ramifications to you, legal and practical ramifications to you to your satisfaction?

GA Uh, I think so, yes.

LH OK. Well do you have any question of that whatsoever?

GA No, I have no current questions about it.

LH OK, very good. You are going to sign these of your own free will?

GA Yes.

LH OK. You are not suffering from any duress or coercion which is compelling you to sign these documents?

GA No.

LH Alright, you are not presently under the influence of alcohol or any medication, prescription or otherwise, which would impede your ability to comprehend the um, legal and factual intent of these documents?

GA No.

LH Um, you may have noticed in reviewing the settlement agreement that, ah, you are part of a what we have generically described as a universal settlement, ah, what I mean by that is and you probably know that independently as well, as you're smiling. What I mean by that...

GA ... no, just that, that's the same as a global settlement, right?

LH It's the same thing. Exactly.

GA Got it.

LH I said generically described so far, universal, global, all encompassing - whatever you like, but the intent of it is that, um, you are one of many claimants uh, who uh, contend that they have claims against the Church of Scientology as well as related and unrelated entities and individuals. Some of those claimants have litigation such as you do pending against the Church of Scientology, some of them don't.

Uh, as you also may or may not know, uh, one lump sum payment is being made to Mr. Flynn. Um, Mr. Flynn is then going to be distributing from that lump sum certain sums to some or all of these claimants...

MF After I go to Rio.

LH After he goes to Rio, exactly. Neither I nor my clients know what the nature or amount that that distribution is um, and we don't want to know. Uh, what's important to us is that you realize that it's a universal/global settlement; that you realize that you are getting paid a certain amount out of that settlement, if you in fact are, and I'm making the assumption you are, but that, uh, and also that you tell me while we're now on video tape that you are happy and satisfied with the amount that Mr. Flynn has promised to pay you.

(phone rings and is answered)

GA Yes.

LH OK, now, other than any representations which Mr. Flynn has made to you in order to uh, get you to sign this uh, have any other representations been made by either myself or my clients or anything else which has compelled you to sign these documents?

Now, what I'm saying to you is there are obviously representations in the documents...

GA Correct.

LH Mr. Flynn has spoken with you - he has said you will get this and that for the, uh, whether money or other consideration for the signing of these documents...

GA Right.

LH OK, now I want to make sure that were there any other representations made to you of anything you would get in consideration for the signing of these documents.

GA Not in terms of what I would get: no.

LH OK. Along those same lines - As I said this is a universal settlement - ah, accordingly, ah, it is possible that some of the other parties may not settle for some reason, and I want you to be aware of the fact that if in fact one of those other, one or more of those other parties do not settle, this settlement falls through. You're aware of that?

GA OK.

LH OK, and you're also aware of the fact however that we are putting these in what is in effect an escrow account - these documents and this video tape - an escrow, um, sort of holding place, uh, so that all of these documents in the video tape will be destroyed if the, uh, settlement does not go through. And you're aware of all that? ...OK?

GA Um-hum.

LH OK, uh, with that then why don't we take a picture of the mutual release of all claims and settlement agreement and then I'll ask you to sign it.

...zoom to document...

LH OK, now what I'm going to ask you to do is please is to initial each of the bottom of each of these pages, I'll turn the page for you and then you'll sign it, I think in two different places if you would.

...GA initials the document...

MF Oh you've got a signature there, Lar.

LH Oh, I'm sorry...that's right...right up here.

...GA continues to initial and sign the document...

LH OK and if you'd date and sign there please.

...GA signs the document...

MF You didn't want to eat dinner with any of those people anyway.

LH No, what did I want to go out to dinner for. Is that crazy? OK, let's see, if you give it to Mr. Flynn, he'll sign it ... and you'll take two separate pictures of these Ted.

...zoom into document...

MF Little art work?

GA I think it...I think we have to, seeing as that's how the checks are.

LH OK and I've just taken a picture of this affidavit and asked that you initial at the bottom of the pages and then sign it once you get your pen back.

...GA signs document...

MF (Laughs)

LH OK, and here is the second affidavit...

...zoom into document...

LH OK.

...GA signs document...

MF How do you do that so quickly? That's awesome.

LH Um... OK, do you have any sort of identification on you so we can give it to the notary?

GA Sure.

LH So she can notarize your documents.

GA We haven't met before, have we?

JR No.

LH Why don't I have you sign...

LH Uh, I don't think we need to take a picture of this, this is the stipulated sealing order but you know what, all of these are for Bruce Bunch's signature I think...

MF Oh, are they...

LH Because...

MF Should we get Bruce donw here at some point?

LH Well...

MF Bruce is in trial I think...

GA Yeah, he is.

MF Yeah, whatever, we can get Bruce back down here. He's in the middle of a trial...

LH I think I'd want either Bruce or Julia's signature on this.

MF Julia would probably be easier...

LH Yeah...

MF Cause Bruce is in the middle of a trial.

LH Well we can arrange for that, that shouldn't be a problem...

MF Well she's coming Monday to do hers...right?

LH Exactly, um, ok, I noticed by the way, in this stipulation for return of sealed materials, it also has Mr. Armstrong's signature and your signature on it so...Let's take a picture of that.

...zoom into document...

LH And have you had a chance to read this yet Mr. Armstrong?

GA Yeah.

LH OK...alright... would you date and sign that please.

GA I keep thinking it's '85.

LH It's a good way...certainly...not to confuse your signature...

GA No.

LH ...Because Mr. Armstrong is, um, putting a face on his signature.

GA Makes it valuable.

LH Exactly.

MF It's awesome...as opposed to my ugly scrawl.

LH You probably have the same artistic talent that I have, which is...

MF Mine is zero.

LH Zero to none. OK, and I think that's it. Thank you Ted. Oh OK, or do you have any questions?

GA No, no

MF Those are orders...

LH These are orders which will be signed by the attorneys which will relate to sealing the files so that no one can get into them as well dismissing your actions. Those will be signed when the entire settlement is finished, um, and then given to the court for Judge Breckenridge's signature.

GA OK...

LH OK.

MF We should put how many docs we got...

GA Do you need duplicate sets signed? Or is that...

MF No, no there's only one...

LH No.

...counting documents...

MF 1-2-3-4 here.

LH OK, I've got two here which is six and then there's two affidavits which is eight.

LH OK, and if you got a drivers license or...

GA Right here.

JR He gave it to me...

LH Already got it?

GA Yeah.

JR You need to put your signature there and your address there please.

LH So you had a good time today?

MF Oh yeah, we had an excellent time, it was very pleasant and we had a nice plane ride up - nice plane ride back...

LH Well Michael's good company.

MF Nice visit with ah...yeah, Mike's very good company... nice, pleasant...

LH I've flown with him once or twice myself.

MF Yeah.

LH The trouble with me, he ususally sleeps. I'm not sure why that is.

MF No, we didn't sleep, (laughs).

MF Witnesses, we need witnesses with some of these docs.

LH Uh, no I think there was a one...that's right.

MF ...several are needed...

LH ...well, just, no only...

MF ...just the release.

LH Only the ah, mutual release...did I see a witness signature there? And there were... you know let's get Ted back - As a matter of fact Ted, why don't you roll this again because we're going to have witnesses sign. Thanks for reminding me.

MS Should Ted be a witness?

LH Oh, you two were witnesses so far... OK, we're back on the camera - 9:15 - and I neglected to get witnesses signatures on the uh, mutual release of all claims and settlement agreement so why don't I do that right now.

...Witnesses sign...

MS Just the one?

LH Okee-dokee, yup, and those are affidavits. Will you stamp them? Thanks Ted. Allright, so...we want to put up all this down in the vault...

MF This all goes together.

LH ...and you've marked that stuff for Michael Hertzberg.

MF Yeah. All marked.

END OF TAPE

LEWIS, D'AMATO, BRISBOIS & BISGAARD
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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

CHURCH OF SCIENTOLOGY INTERNATIONAL, A California not-for-profit religious corporation,

Plaintiff,

vs.

GERALD ARMSTRONG and DOES 1 through 25 inclusive,

Defendants.

No. BC 052 395

DECLARATION OF GRAHAM E. BERRY TO ALL EVIDENCE IN SUPPORT OF AMENDED AMICUS CURIAE BRIEF IN OPPOSITION TO PLAINTIFFS' ORDER TO SHOW CAUSE RE PRELIMINARY INJUNCTION AND SUPPORTING EXHIBITS

Date: May 14, 1992
Time: 8:30 a.m.
Dept.: 86

[Filed concurrently with Joseph A. Yanny's Amended Amicus Curiae Brief]

I, Graham E. Berry, declare:

1. I am an attorney duly licensed to practice before the courts in the state of California and I am a member of the law firm of Lewis, D'Amato, Brisbois & Bisgaard, attorneys of record for amicus curiae Joseph A. Yanny, Esq. in this action.

2. I have personal knowledge of the facts contained in this declaration and could and would competently testify to those

facts if called upon to do so. As to those matters which are stated to be upon information and belief, I believe them to be true.

3. This declaration is offered in support of Joseph A. Yanny's amicus curaie brief in opposition to plaintiffs' order to show cause re preliminary injunction.

4. Attached hereto as Exhibit A is a copy of a document entitled mutual release of all claims and settlement agreement dated 12-6-86. ("The Armstrong Settlement Agreement.")

5. Attached hereto as Exhibit B is a copy of a document entitled settlement agreement and bearing various dates in and around December 6, 1986.

6. Attached hereto as Exhibit C is a copy of an order dismissing action with prejudice dated December 11, 1986.

7. Attached hereto as Exhibit D is a copy of a minute order entered December 12, 1986.

8. Attached hereto as Exhibit E is a copy of reporters transcript of proceedings, December 11, 1986.

9. Attached hereto as Exhibit F is a copy of Reporters transcript of hearing dated August 6, 1991 in Religious Technology Center et al v. Joseph A. Yanny, et al. ("The Yanny II Injunction Hearing").

10. Attached hereto as Exhibit G is a copy of a memorandum of intended decision and accompanying minute order dated June 22, 1984. ("The Breckenridge Decision in Armstrong I").

11. Attached hereto as Exhibit H is a copy of the complaint in Vicki Aznaran and Richard Aznaran v. Church of

Scientolog[illegible] al. ("The Aznaran Comp[illegible]t").

12. Attached hereto as Exhibit I is a copy of a verified complaint in Religious Technology Center et al. v. Joseph A. Yanny, ("The Yanny II Complaint").

13. Attached hereto as Exhibit J is a copy of the verified first amended answer in Religious Technology Center et al v. Joseph A. Yanny et al. ("The Yanny II Answer")

14. Attached hereto as Exhibit K is a copy of Reporters Transcript of Proceedings, December 23, 1991. ("The Geernaert Decision in Armstrong I")

15. Attached hereto as Exhibit L is a copy of a letter and enclosure dated March 13, 1992 from Graham E. Berry of Lewis, D'Amato, Brisbois & Bisgaard to Laurie J. Bartilson of Bowles & Moxon requesting plaintiffs to release Gerald Armstrong from the provisions of the Armstrong Settlement Agreement with regard to Joseph A. Yanny.

16. Attached hereto as Exhibit "M" is a copy of a letter from Gerald Armstrong to Eric Lieberman a Scientology attorney dated August 21, 1991 complaining of harassment, surveillance and terrorism.

17. Attached hereto as Exhibit N is a copy of reporters transcript of proceedings dated March 3, 1992. ("The Dufficy Decision").

18. Attached hereto as Exhibit O is a copy of a meet and confer statement in Religious Technology Center et al v. Joseph A. Yanny ("Yanny II") which explains the Yanny II litigation and underlying facts.

//

19. Attached hereto as Exhibit P is a copy of a Declaration of Gerald Armstrong Dated March 16, 1992.

20. Attached hereto as Exhibit Q are deposition excer2pts from the Deposition of Gerald Armstrong taken on Tuesday, March 17, 1992.

21. Attached hereto as Exhibit R are deposition excerpts from the Deposition of Gerald Armstrong taken on April 7, 1992.

22. Attached hereto as Exhibit S is a copy of L. Ron Hubbard's Technique 88 "Control and Lying".

23. Attached hereto as Exhibit T is a copy of "Suppressive Person Declare Gerry Armstrong."

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed this 7th day of May, 1992 at Los Angeles, California.

Graham E. Berry

Graham E. Berry

Exhibit B

WORK COPY

SETTLEMENT AGREEMENT

A. PRIOR SETTLEMENTS:

Settlement agreements made prior to November 1, 1986 and prior to the collective settlement stated below:

Client	Amount	Fee and Expenses
(1) Bears	$115,000.00	To be determined with local counsel
(2) Garritys	$175,000.00	To be determined with local counsel
(3) Petersons	$175,000.00	To be determined with local counsel
(4) Jefferson	$150,000.00	To be determined with local counsel
(5) Lockwood	$150,000.00	To be determined with local counsel
(6) Hartwell	$150,000.00	To be determined with local counsel
	$915,000.00	To be determined with local counsel

B. INDEPENDENT SETTLEMENT:

The Christofferson-Titchborne settlement was made separate from the collective settlement. It was agreed to between attorney Gary McMurray, his client, Julie Christofferson-Titchborne and the Church of Scientology.

EXHIBIT H

Client	Amount	Fee and Expenses
Christofferson-Titchborne	$100,000.00	To be determined by attorney McMurray and client. None of the attorneys representing other clients in the collective settlement represent or have represented Christofferson-Titchborne.

C. COLLECTIVE SETTLEMENT:

The following cases/clients are part of a collective settlement made on December 11, 1986. The undersigned acknowledge that the settlement set forth above in Paragraphs A and B were made as separate settlements, meaning that the cases/clients listed in Paragraphs A and B agreed to the amounts stated therein prior to the collective settlement as in Paragraph A, and independent from the collective settlement as in Paragraph B. The total amount of the collective settlement is $2,800,000.00. The total amount of the collective settlement and the prior independent settlements in Paragraphs A and B is $3,815,000.00. The collective settlement allocation is as follows:

Client	Amount	Fee and Expenses
(1) Nancy Dincalci	$ 7,500.00	None
(2) Kima Douglas	$ 7,500.00	None
[illegible]	[illegible]	[illegible]

EXHIBIT H

(3)	Robert Dardano	$ 15,000.00	None
(4)	Warren Friske	$ 15,000.00	None
(5)	William Franks	$ 40,000.00	None
(6)	Laurel Sullivan	$ 40,000.00	None
(7)	Edward Walters	$100,000.00	To be determined between client and attorneys
(8)	Howard Schomer	$200,000.00	To be determined between attorney Bunch and client
(9)	Martin Samuels	$500,000.00	To be determined between attorney McMurray and client
(10)	Gerald Armstrong v. Church of Scientology	$800,000.00	To be determined between attorney Bunch and client
(11)	Fees and expenses to attorneys Contos & Bunch, Robert Kilbourne, Michael Flynn, and associated counsel for the prosecution and defense of various cases including the "Hubbard documents" case, the "check-frame up" case and the defense of approximately 17 lawsuits against attorney Flynn and his clients.	$500,000.00	To be determined between attorneys Contos & Bunch, Michael Flynn, Robert Kilbourne, and associated counsel
(12)	Flynn v. Ingram (No. ______________)	$575,000.00	To be determined between attorney Flynn and his counsel
	Flynn v. Hubbard (No. ______________)	-0-	
		$2,000,000.00	

We, the undersigned, agree and acknowledge that (1) we have read the foregoing Settlement Agreement; (2) that we agree with the total settlement amount and the allocations to the respective cases/clients as set forth therein; (3) that we have either consulted, been advised to consult, or have had the opportunity to consult with attorneys other than Michael J. Flynn who, we acknowledge is also a claimant against the Church of Scientology and L. Ron Hubbard; (4) that we agree to maintain the confidentiality of this Settlement Agreement; (5) that we acknowledge that many of the cases/clients involved in this settlement have been in litigation against the Church of Scientology for more than six to seven years, that many have been subjected to intense, and prolonged harassment by the Church of Scientology throughout the litigation, and that the value of the respective claims stated therein is measured in part by the (a) length and degree of harassment; (b) length and degree of involvement in the litigation; (c) the individual nature of each respective claim in connection with either their involvement with the Church of Scientology as a member and/or as a litigant; (d) the unique value of each case/client based on a variety of things including, but not limited to, the current procedural posture of a case, specific facts unique to each case, and financial, emotional or consequential damage in each case; that we agree and

EXHIBIT H

acknowledge that Michael J. Flynn has primarily been responsible for bearing the cost of the litigation over a period of approximately seven years, that he or his firm's members have been required to defend approximately 17 lawsuits and/or civil/criminal contempt actions instituted by the Church of Scientology against him, his associates and clients, that he and his family have been subjected to intense and prolonged harassment, and that his claims against the Church of Scientology and L. Ron Hubbard, and his participation as an attorney have a unique value which is accurately and properly reflected in the allocations set forth herein.

NANCY DINCALCI DATE: Dec 5 1986

KIMA DOUGLAS DATE: Dec 5 - 1986

ROBERT DARDANO DATE: [illegible] - 20 - 1986

WARREN FRISKE DATE:

LAUREL SULLIVAN DATE: [illegible]

Julie Christofferson Titchbourne Dec. 6, [illegible]

EXHIBIT H

Paul Gast —

DATE:

WILLIAM FRANKS

DATE:

Edward Walters

EDWARD WALTERS

DATE: [illegible] 7th 1986

Howard Schomer

HOWARD SCHOMER

DATE: 12-5-86

Martin Samuels

MARTIN SAMUELS

DATE: Dec 4, 1986

GERALD ARMSTRONG

DATE: 12-6-86

MICHAEL J. FLYNN

DATE:

CONTOS & BUNCH
A PROFESSIONAL CORPORATION

By: Julia Dragojevic

~~BRUCE M. BUNCH~~ JULIA DRAGOJEVIC

DATE: 12-10-86

Gary McMurry

GARY MC MURRAY

DATE: December 6, 1986

ROBERT KILBOURNE

DATE:

Jane Peterson
3:3:17

DATE:

Richard Peterson

DATE:

EXHIBIT H

Marin Independent Journal, Wednesday, November 11, 1992

IJ photo/Frankie Frost

CASH CRITIC: Gerald Armstrong of San Anselmo reflects on how the world would be a better place without money

Is money the root of problems?

Critic of cash, credit urges monetary abolition

By Richard Polito

Independent Journal reporter

Gerald Armstrong has an idea for dealing with the national debt — write it off. Forget it. It doesn't exist.

It's that easy.

The novel prescription for fixing the fiscal fiasco is only part of Armstrong's larger message that money should be abolished. No more pay checks, no more loan payments, no more taxes, and forget that $20 you owed your brother-in-law.

Bank presidents would clean up litter. Donald Trump could get a real job. The Financial District would be a ghost town with marble lobbies — and lots of parking.

And it all starts today.

In a rare moment of realism, Armstrong admits today's deadline "is probably not going to be achieved."

Renouncing cash, credit

Armstrong, self-proclaimed founder of the Organization of United Renunciants, set the date for people who have taken his "pledge of renunciation" to stop using money. Fellow renunciants will renounce all cash and credit, stop taking money, stop paying with money, forgive all their debts and stop keeping financial records.

The critic of credit has already put his money where his doubts are. He gave it all away. And it was more than pocket change.

Armstrong won an $800,000 settlement in a harassment suit against the Church of Scientology six years ago. Once a member of the inner circle, he is now a vocal critic.

Armstrong doesn't expect everyone to buy in from the start, just "somewhere between 1 and 11 percent."

He's a tad short. Armstrong can count only a handful of friends as converts, but he is trying to get the word out. Detailed proposals have gone out to Bill Clinton, Ross Perot and Pete Wilson (no one has tapped him for an economic advisory post just yet.) He has also written to the New York Times and other mega-media.

Ted Koppel has not called.

Money considered valueless

Armstrong is not discouraged.

The monetary messiah insists there is much about daily life that will not change. People will still go to work, shop at the market and pick out a new car every few years. They just wouldn't exchange any money along the way.

Money, in Armstrong's eyes, has no value and the existence of money has created entire industries that do nothing more than transfer mythical essences of value from one account to another.

In Armstrong's cashless Utopia, there would be total employment because people could do jobs they wanted to do and companies could employ more workers because they would not have to pay them. Farmers would still farm. Autoworkers would still make cars. Sewer workers would still shovel sludge.

And Disneyland would no longer charge admission.

IN THE COURT OF APPEAL OF THE STATE OF CALIFORNIA

SECOND APPELLATE DISTRICT, DIVISION FOUR

Civ. No. B 069450
(Super. Ct. No. BC 052395)

CHURCH OF SCIENTOLOGY INTERNATIONAL,

Plaintiff-Respondent

-vs-

GERALD ARMSTRONG,

Defendant-Appellant.

On Appeal From Superior Court Of The State Of California
County of Los Angeles
The Honorable Ronald M. Sohigian

APPELLANT'S OPENING BRIEF

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Civil No. B 069450

IN THE COURT OF APPEAL FOR THE STATE OF CALIFORNIA

SECOND APPELLATE DISTRICT, DIVISION FOUR

CHURCH OF SCIENTOLOGY INTERNATIONAL, Plaintiff and Respondent, vs. GERALD ARMSTRONG, Defendant and Appellant.	[Los Angeles Superior Court No. BC 052395]

APPELLANT'S OPENING BRIEF

INTRODUCTION

Appellant Gerald Armstrong appeals the issuance of a preliminary injunction by the Honorable Ronald M. Sohigian of the Los Angeles Superior Court in favor of respondent Church of Scientology International ("Scientology").

Despite the fact that the trial court granted very little of the injunctive relief Scientology sought, for the reasons stated below the injunction is illegal.

The settlement agreement the injunction in part enforces was procured by fraud, duress and the compromise of appellant's own attorney who also represented well over a dozen signing plaintiffs in the same "global settlement." None were represented by independent counsel. Flynn, who himself was a plaintiff, gained the most by the settlement, and at no time advised Armstrong that pursuant to the terms of the settlement Scientology could say whatever slander it wanted about Armstrong while he had to remain mute.

The injunction violates Armstrong's First Amendment Rights to Freedom of Speech and Association and is a violation of Fourteenth Amendment Right to Equal Protection as it creates two classes of litigants. Those who have the money can buy Armstrong's testimony because he can only testify when compelled by Court Order. Those who cannot pay for Court Orders must go without the foremost expert on Scientology in the world.

It is Armstrong's special first-hand knowledge of a criminal organization that has been judicially suppressed through the mechanism of a preliminary injunction at issue here. Scientology would hold Armstrong silent while it slanders him - making him a "dead agent" - with impunity in order to further foist distortion and misrepresentation upon the world.

The injunction deprives the public of expert information and competent testimony an organization long-recognized as criminal, that preys on the weak, lost and lonely.

The injunction undermines the integrity of the judicial system and is an affront to honesty and fair play.

STATEMENT OF THE CASE

On February 4, 1992, Scientology filed its verified complaint for damages and for preliminary and permanent injunction against defendant Gerald Armstrong in Marin County Superior Court Action No. 152229. On March 30, 1992 the Marin court granted Armstrong's motion to transfer to the Los Angeles County Superior Court where it became Action No. BC 052395. During the pendency of Scientology's motion for injunctive relief, and in order to maintain the status quo, but specifically stating there was no adjudication on the merits, the Marin Court granted a temporary restraining order (16) [1] which was ultimately dissolved in Los Angeles.

On May 7, 1992, Scientology filed its Amended Memorandum of

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[1] All citations designated (___) are to the particular sequential page number of the Appendix Filed In Lieu Of Clerk's Transcript pursuant to California Rule of Court 5.1.

Points and Authorities in Support of Plaintiff's Motion for Preliminary Injunction for Breach of Contract (1-29), and Armstrong filed his Opposition to Motion for Preliminary Injunction. (30-50) Scientology replied on May 20, 1992. (51-63) The matter was heard on May 26 and 27, 1992 by the Honorable Ronald M. Sohigian (RT 5/26/92 and 1594-1713) who issued a preliminary injunction by his minute order dated May 28, 1992. (1714-17) Notice of ruling was given on June 5, 1992 in conjunction with the posting of a $70,000.00 bond. (1718-27)

Armstrong's Notice of Appeal was timely filed on July 30, 1992. (1728-30)

STATEMENT OF APPEALABILITY

Since this matter involves the granting of an injunction, it is the proper subject of an appeal. Code of Civil Procedure section 904.1 (f).

I. STATEMENT OF FACTS

A. Gerald Armstrong, The Scientologist

In consequence of being a member of the Scientology Organization for 12 years, Gerald Armstrong gained first-hand knowledge regarding both the nature of the organization and the methods of its day-to-day operations. Although Armstrong ultimately learned, that L. Ron Hubbard ("LRH") was "virtually a pathological liar when it [came] to his history, background, and achievements" (474-75, 485-89, 1004, 1008-14), at the outset of his involvement it was Hubbard's lies which induced his affiliation. (1004-08, 1067)

Armstrong learned that after inducing the affiliation of its members by various deceptions, Scientology continually "violat[ed] and abus[ed] its own members' civil rights, . . . with its "Fair Game" doctrine [and] harass[ed] and abuse[ed] those persons not in the Church whom it perceive[d] as enemies." (474) The "Fair Game Policy," a part of Scientology's system of discipline and punishment, states:

> "Enemy - SP (Suppressive Person) Order. Fair Game. May be deprived of property or injured by any means by any Scientologist without any discipline of the Scientologist. May be tricked, sued or lied to or destroyed."

(1036-1037)

Scientology also abused its members' civil rights through breaching its promises that the personal information it extracted from adherents through "auditing" [2] would be kept confidential. Instead, it used such information for the purposes of domination, extortion and blackmail. (734-74, 1039-41) Auditing was also employed to eliminate the members' ability to critically reason, (1038, 1081), despite Scientology's public claim that its purpose was to free individuals. (1086)

Armstrong possesses first-hand information regarding the visible structure of Scientology, and how the leadership ran Scientology through internal organizations, such as the Guardian's Office, the Sea Organization and the Commodore's Messenger Organization, which managed, operated and controlled all of Scientology regardless of any particular corporate designation. (475, 997, 1023-30, 1045-46). He knew that LRH's representation to the general public and the Scientology membership that "the fees you pay for service do not go to me" was false and that LRH lived in splendor while the organization staff lived like slaves. (1032-34)

Armstrong participated in and drilled hundreds of people in institutionalized schemes of practiced deception called "shore stories" or "acceptable truths," which LRH claimed were required to combat the "enemy." (1051, 1016-19, 787-88)

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[2] During the process of "auditing" in Scientology, a person being "audited," a "penitent," communicates to the clergyman, counselor, or therapist, the "auditor," his innermost thoughts and relates incidents from his life which are emotionally charged, embarrassing or for which he could be blackmailed. The auditor writes down what the penitent says in "auditing reports." The auditor demands and records details such as time and place when an incident occurred, who was present, who knew about the incident, their relationship to the penitent and their address or general location. These "auditing reports" form, along with the auditor's notes and instructions made after the auditing sessions, the penitent's auditing files. (1081)

Armstrong was assigned to the Intelligence Bureau of the Guardian's Office [3] headed by LRH and his wife and then posted as LRH's communications aide. (996) During this time he coded and decoded Guardian's Office telexes, and maintained LRH's operations files including those which ordered infiltration of the federal, state and local government offices, and the theft of documents. Armstrong also handled LRH's telexes and dispatches ordering corporate manipulations which showed an absence of corporate integrity among the Scientology organizations. (1045-46)

LRH ordered Armstrong and his wife into the Rehabilitation Project Force ("RPF"), which was "a virtual prison Hubbard had created for any Sea Org members whom he considered to be in violation of or 'counter-intention' ("CI") to his orders or policies." (997; 738; 1048-49) The purpose of the RPF was to control members, who were physically held and not free to leave, break their will and obtain free labor. (740, 1050) Armstrong was imprisoned within the RPF for 17 months on one occasion and 8 months on a second. (739, 997, 999, 1048)

Armstrong personally participated in the massive destruction of evidence ordered in anticipation of a raid by the F.B.I. during which he came across LRH's life archive. (480-81, 485-86, 1000-01) Throughout 1980 and 1981, Armstrong assembled an archive of 500,000 pages of documentation of LRH's life, writings and accomplishments. (1003) In October 1980, LRH contracted with an independent author, Omar V. Garrison, to write his biography. (1004) Armstrong became Garrison's "research assistant." (1004; 483-85)

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[3] "The Guardian's Office is charged with the protection of Scientology. The Guardians handle intelligence matters including covert operations to acquire Government documents critical of Scientology, internal security within Scientology, and covert operations to discredit and remove from positions of power all persons whom Scientology considers to be its enemies." United States v. Heldt (1981) 668 F.2d 1238, 1247, cert. denied (1982) 102 S.Ct. 1971. The Guardian's Office executed tremendous control throughout all of Scientology, and until 1981, was the most powerful of LRH's two main control lines. (1023-28)

During his biographical research, Armstrong discovered that LRH and Scientology had continuously lied about LRH's past, credentials and his accomplishments. (486, 1008-14) As the wide gap between LRH's claims about himself and the reality evidenced by the documentation Armstrong had assembled became manifest, he attempted to convince Scientology executives to change the biographical materials being published and disseminated about LRH so that they would be truthful. (1004; 486-87)

In response to Armstrong's requests that Scientology tell the truth about Hubbard, a leader ordered that Armstrong be "security checked. (487) Sec checking is a brutally accusative interrogation in which the E-Meter, the electrometer used in Scientology auditing, is employed as a lie detector and tool of intimidation. Upon learning that his sec checking had been ordered, Armstrong and Jocelyn, his wife, left Scientology. (1015)

Following Armstrong's departure, Scientology sued him, and hired private investigators who assaulted him, ran into him bodily with a car, attempted to involve him in a freeway accident, and followed and harassed him day and night for over one month. Scientology made four attempts to bring false criminal charges against him, destroyed his marriage, used his best friend to set him up in an intelligence operation, and had its members, lawyers and private investigators make false statements against him. (1053, 492-93)

B. Scientology Sues Armstrong The First Time And Loses

On August 2, 1982, Scientology sued Armstrong in L.A.S.C. No C420153 ("Armstrong I") for conversion of certain papers which he had archived as part of the Hubbard biography project. After a lengthy trial, Judge Paul G. Breckenridge, Jr., filed his Memorandum of Intended Decision in Armstrong's favor on June 22, 1984. (467) Rejecting Scientology's effort to silence Armstrong and his counsel, (see 1202-1226), he stated:

> Defendant and his counsel are free to speak and communicate upon any of Defendant Armstrong's recollections of his life as a Scientologist or the contents of any exhibit received in evidence or marked for identification and not specifically ordered sealed. . . . defendant and his counsel may discuss the contents of any documents under seal or of any matters as to which this court has found to be privileged as between the parties hereto, with any duly constituted Governmental Law Enforcement Agency or submit any exhibits or declarations thereto concerning such documents or materials, without violating any order of this court.

(469) Judge Breckenridge found the facts presented by Armstrong to be true and incorporated Armstrong's trial brief as an appendix to its decision. (470) He characterized Scientology as malevolent, in part because the organization "or its minions is fully capable of intimidation [of witnesses, including Armstrong] or other physical or psychological abuse if it suits their ends" (474), and provided the following factual findings:

> In 1970 a police agency of the French Government conducted an investigation into Scientology and concluded "this sect, under the pretext of 'freeing humans' is nothing in reality but a vast enterprise to extract a maximum amount of money from its adepts by (use of) pseudo-scientific theories, by (use of) 'auditions' and 'stage settings' (lit. to create a theatrical scene') pushed to extremes (a machine to detect lies, its own particular phraseology . .), to estrange adepts from their families and to exercise a kind of blackmail against persons who do not wish to continue with this sect." [footnote omitted] From the evidence presented to this court in 1984, at the very least, similar conclusions can be drawn.
>
> In addition to violating and abusing its own members civil rights, the organization over the years with its "Fair Game" doctrine has harassed and abused those persons not in the Church whom it perceives as enemies. The organization is clearly schizophrenic and paranoid, and this bizarre combination seems to be a reflection of its founder LRH [L.

> Ron Hubbard]. The evidence portrays a man who has been virtually a pathological liar when it comes to his history, background, and achievements. The writings and documents in evidence additionally reflect his egoism, greed, avarice, lust for power, and vindictiveness and aggressiveness against persons perceived by him to be disloyal or hostile.

(Emphasis added.) (474)

In contrast to his findings regarding Scientology, Judge Breckenridge found Armstrong and his witnesses to be credible and sympathetic. He wrote:

> As indicated by its factual findings, the court finds the testimony of Gerald and Jocelyn Armstrong, Laurel Sullivan, Nancy Dincalcis, Edward Walters, Omar Garrison, Kima Douglas, and Homer Schomer to be credible, extremely persuasive and the defense of privilege or justification established and corroborated by this evidence . . . In all critical and important matters, their testimony was precise, accurate, and rang true. The picture painted by these former dedicated Scientologists, all of whom were intimately involved [with the highest echelons of power in] the Scientology Organization, is on one hand pathetic, and on the other, outrageous. Each of these persons literally gave years of his or her respective life in support of a man, LRH [L. Ron. Hubbard], and his ideas. Each has manifested a waste and loss or frustration which is incapable of description.

(Emphasis added.) (473)

C. Scientology's Attempt To Frame Michael Flynn [4]

Within four months of Judge Breckenridge's decision, Scientology engaged in a massive "black PR" campaign against Michael Flynn which included the following operation:

> The recent efforts of Hubbard and his Organization include procurement through the payment of $25,000 to an individual currently under indictment for perjury and fraud, of an affidavit claiming that I assisted in the forgery of a two million dollar check belonging to L. Ron Hubbard. The affidavit was procured by one Eugene Ingram who has been removed from the Los Angeles

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[4] This section is based upon the Declarations of Michael J. Flynn, Armstrong's attorney. The Court should note that said declarations, however, were excluded from evidence. The trial court was incorrect however, because said declaration were based upon the personal knowledge of Flynn.

> Police Department for aiding narcotics dealers, pimping, and running a house of prostitution. Mr. Ingram procured the affidavit from a citizen of the United Arab Emirates after publicizing a $100,000 reward in full page advertisements in the Boston Globe, the New York Times, and other newspapers.

(1183-84) The foregoing facts were found to be accurate in the reported decision, United States v. Kattar (5th Cir. 1988) 840 F.2d 118, 119-22.

D. Scientology's Attempt To Frame Armstrong

In 1984, after the Breckenridge decision, Scientology also attempted to set up and frame Armstrong, to "dead agent" him. As stated by Scientology in the Miller, Aznaran, and Xanthos litigation (discussed infra.)

> Gerald Armstrong has been an admitted agent provocateur of the U.S. Federal Government who planned to plant forged documents in [Scientology's] files which would then be "found" by Federal officials in subsequent investigation as evidence of criminal activity.

(1546-50; see also (1320). He had been

> "plotting against ... Scientology ... and seeking out staff members who would be willing to assist him in overthrowing [Scientology] leadership. [Scientology] obtained information about Armstrong's plans and, through a police-sanctioned investigation, provided Armstrong with the "defectors" he sought. On November 30, 1984, Armstrong met with one Michael Rinder, an individual whom Armstrong thought to be one of his "agents" (but who in reality was loyal to [Scientology]). In the conversation, recorded with written permission from law enforcement, Armstrong stated the following in response to questions by Mr. Rinder as to whether they had to have actual evidence of wrongdoing to make allegations in Court against [Scientology's] leadership:
>
> Armstrong: They can allege it. They can allege it. They don't even have -- they can allege it.
> RINDER: So they don't even have to -- like -- they don't have to have the documents sitting in front of them and then --
> Armstrong: Fucking say the organization destroys documents. . . . Where are the -- we don't have to prove a goddamn thing. We don't have to prove shit; we just have to allege it.

> (Ex. E, Declaration of Lynn R. Farney, ¶ 6.) With such a criminal attitude, Armstrong fits perfectly into Yanny's game plan for the Aznaran case."

(1353-54)

The "written permission from law enforcement" was fraudulent and made without authority. The bogus document was dated November 7, 1984 on the letterhead of Eugene Ingram. (1572)

By public announcement, Los Angeles Chief of Police, Daryl F. Gates, repudiated the "written permission." In part, Chief Gates stated:

> I have directed an official letter to Ingram informing him that the letter signed by Officer Phillip Rodriguez dated November 7, 1984, and all other letters of purported authorizations directed to him, signed by any member of the Los Angeles Police Department, are invalid and unauthorized.

(1574)

Scientology's allegations against Armstrong were thoroughly investigated by the Los Angeles County District Attorney's Office and completely and soundly rejected. (1576-87)

E. The Settlement

In the Armstrong I litigation, on both the complaint and cross-complaint, Armstrong was represented by Boston attorney Michael J. Flynn, who also was Armstrong's employer. (665) In early December 1986, an agreement was reached in Los Angeles by the Scientology Organization and Flynn to settle most of the cases in which Flynn was involved, either as counsel, or as a party. On December 5, 1986, Armstrong, along with nearly a score of other litigants adverse to Scientology - all of whom were represented by Flynn - was flown to Los Angeles to participate in a "global settlement." (667) When Armstrong arrived in Los Angeles from Boston, he knew that settlement negotiations had been going on for months. (762) Upon Armstrong's arrival, he was shown a copy of a document entitled "Mutual Release of All Claims and Settlement Agreement" for the first time, as well as some other documents that he was expected to sign.

When Armstrong read the settlement agreement, he was shocked and heartsick. The agreement betrayed everything that Armstrong had stood for in his battle opposing Scientology. (760) He told Flynn that the condition, set forth in settlement agreement ¶ 7-D, of "strict confidentiality and silence with respect to his experiences with the [Scientology organization]" was outrageous and not capable of compliance because it involved over 17 years of his life. Armstrong told Flynn that ¶ 7-D would require him to pay $50,000 if he told a doctor or a psychologist about his experiences over those 17 years, or if he put on a job resume the positions he had held while in Scientology. He told Flynn that the requirements of non-amenability to service of process in ¶ 7-H and non-cooperation with persons or organizations adverse to the organization in ¶¶ 7-G and 10 were obstructive of justice. Armstrong told Flynn that agreeing in ¶ 4-B to allow Scientology's appeal of Judge Breckenridge's decision in Armstrong I to continue without opposition was unfair to the courts and all the people who had been helped by the decision. Armstrong said to Flynn the affidavit that Scientology demanded he sign along with the settlement agreement was false. (668, 759)

Right after Armstrong first saw the document, he was told there were a number of other people with claims against Scientology who had already signed and others were being flown in to sign. (762) Flynn told Armstrong that he, and all the other lawyers, wanted to get out of the litigation because it had ruined his marriage and his wife's health. Flynn told Armstrong that all the other witnesses upon whom later he would have to depend wanted to settle, too.

In Flynn's presence, Eddie Walters, another litigant adverse to Scientology, yelled at Armstrong. Walters said everybody wanted out of the litigation, that Armstrong's objections would kill the deal for all of the them, and that Armstrong's objections didn't matter because the settlement was bigger than he was. (762-63) Flynn did not stick up for Armstrong. (764)

Flynn told Armstrong if he did not sign all he had to look forward to would be more years of threats, harassment and misery from Scientology, and everybody else would be very upset. Flynn advised Armstrong that the conditions of the settlement which he found offensive "were not worth the paper they were printed on" and that Scientology's lawyers were aware of Flynn's legal opinion and, nonetheless, wanted such language included. (759) Flynn advised Armstrong that in the event that there was further litigation against Armstrong by Scientology, Flynn would still be there to defend him. (768) Armstrong felt "a great deal" of pressure to sign the agreement, and capitulated. (761, 765-66, 772; 670-71)

It was Armstrong's understanding and intent at the time of the settlement that he would honor the silence and confidentiality provisions of the settlement agreement, and that Scientology would do likewise. (672)

On December 11, 1986, Flynn and Scientology attorneys John G. Peterson, Michael Lee Hertzberg and Lawrence E. Heller appeared, _ex parte_, before Judge Breckenridge, announced that they had settled Armstrong's Cross-Complaint in _Armstrong I_ (458), and submitted a number of documents for filing. (1235-36, 1238, 1240-41, 1243-45, 1247-49, 1251.) Despite its promises, Scientology never did file the settlement agreement. (1258)

When Judge Breckenridge inquired whether the agreement impacted the appeal of his decision, the attorneys said that the agreement did not (458), despite Paragraphs 4-A and 4-B. (75-76) None of the attorneys advised Judge Breckenridge of their _side stipulation_ that any retrial of _Armstrong I_ ordered by the Court of Appeal would limit damages claimed by Scientology to $25,001, (1253) [5] and they failed to advise him there was another _side_ agreement between Flynn and Scientology attorneys Cooley and Heller whereby they agreed to indemnify Flynn if the Court of Appeal reversed Armstrong I and they retried the case and won. (1255-56)

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[5] Said stipulation, signed by Michael Flynn on Armstrong's behalf and by John Peterson and Michael Hertzberg for Scientology and Mary Sue Hubbard, states: "The Church of Scientology of California, Mary Sue Hubbard, and Gerald

Moreover, prior to and at the time of the settlement Armstrong was not aware of the side agreements between his lawyers and the lawyers for the organization that considered Gerald Armstrong as their enemy! (712-13, 715; 771-72)

On December 18, 1986, the Court of Appeal dismissed appeal No. B005912 as premature because Armstrong's cross-complaint remained to be tried. (1260-73) [6]

On January 30, 1987, Scientology filed an Unopposed Motion to Withdraw Memorandum of Intended Decision in Armstrong I. (1279-83) which Judge Breckenridge denied. (1285) Scientology then filed its second appeal in Armstrong I. (1287) On July 29, 1991, the Court of Appeal affirmed Judge Breckenridge's decision. Church of Scientology of California v. Armstrong (1991) 232 Cal.App.3d 1060, 283 Cal.Rptr. 917.

F. Scientology's Post Settlement Breaches

1. The Corydon "Dead Agent" Pack

In 1987, less than one year after the agreement was signed,

Armstrong, by and through their undersigned counsel, hereby stipulate that in any retrial ordered by any appellate court in Church of Scientology of California v. Gerald Armstrong, LASC No. 420153, the total damages awarded to the Plaintiff Church of Scientology of California and Plaintiff in Intervention Mary Sue Hubbard, combined for any and all causes of action, shall not exceed twenty five thousand and one dollars ($25,001.00)."

[6] The Court of Appeal would not have been advised of the resolution of the underlying Cross-Complaint in Armstrong I - on the existence of which it based its order of dismissal of the appeal - because the fate of said appeal was the subject of Paragraphs 4-A and 4-B of the secret agreement.

Scientology distributed a "dead agent" [7] pack which included an attack on Armstrong. It stated:

> "Corydon has used a description of the RPF provided by Gerry Armstrong, among others. Armstrong's description in this book, however, is completely contrary to his own previous sworn affidavit about the RPF. (Gerry Armstrong's description of the RPF in Corydon's book can also be viewed in light of Armstrong's numerous false claims and lies on other subject matters.)"

(1504) (Emphasis added.)

2. **Scientology's Declarations In The Miller Litigation**

In October, 1987, Scientology representative Kenneth Long executed five affidavits in Church of Scientology of California v. Miller, High Court of Justice, Chancery Division, No. 1987 C. No. 6140, wherein Long solely discussed his characterizations of Armstrong's activities that had been at issue in the Armstrong I litigation, and thus included within the scope of the settlement agreement. (See Appendix pp. 1506-23; 1525-44; 1546-50, 1555-62, 1564-70)

Long's third affidavit falsely charged that:

> Gerald Armstrong has been an admitted agent provocateur of the U.S. Federal Government who planned to plant forged documents in [Scientology's] files which would then be "found" by Federal officials in subsequent investigation as evidence of criminal activity. (1549)

In another affidavit filed in the Miller case on October 5, 1987, Sheila M. Chaleff also falsely stated:

> Mr. Armstrong is known to me to be a US government informant who has admitted on video tape that he intended to plant

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[7] "A 'dead agent' is a concept created by Hubbard in which an agent who is supposedly spreading stories about you, a lie, an untruth in his story is found. And that is documented. [¶] And then that documented fact is circulated to all of the people to whom the agent has communicated, and then he will become essentially dead, he will be killed by those people who have earlier trusted him. So you've destroyed his credibility and as an agent he is dead. [¶] And this pack of materials was a dead agent pack put out to dead agent Bent Corydon. Bent Corydon had written a book about Hubbard, and this is a pack of materials to discredit Bent Corydon." (791)

> forged documents within the Church of Scientology and then using the contents to get the Church raided where these forged documents would be found and used against the Church.

(1553)

3. Heller's Declaration And Argument In The Corydon Litigation

On or about November 1, 1989, in the case entitled Corydon v. Church of Scientology International, Inc., et al., LASC No. C694401, Scientology attorney Lawrence E. Heller filed a Notice of Motion and Motion of Defendant Author Services, Inc. to Delay or Prevent the Taking of Certain Third Party Depositions by Plaintiff. (1294-1305) In his memorandum, Heller discussed the "block settlement" of which the Armstrong agreement was a part:

> One of the key ingredients to completing these settlements, insisted upon by all parties involved, was strict confidentiality respecting: (1) the Scientology ... staff member's experiences within ... Scientology; (2) any knowledge possessed by the Scientology entities concerning those staff members ...; and (3) the terms and conditions of the settlements themselves. Peace has reigned since the time the interested parties entered into the settlements, all parties having exercised good faith in carrying out the terms of the settlement, including the obligations of confidentiality. [Original emphasis.]

(1297) In his sworn declaration, attorney Heller testified:

> I was personally involved in the settlements which are referred to in these moving papers which transpired some two and one-half years ago. . . . a "universal settlement" was ultimately entered into between the numerous parties. The universal settlement provided for non-disclosure of all facts underlying the litigation as well as non-disclosure of the terms of the settlements themselves. **The non-disclosure obligations were a key part of the settlement agreements insisted upon by all parties involved.** [Original emphasis.]

(1301-02)

4. Scientology's Complaint Against The IRS

On August 12, 1991, Scientology filed a complaint styled Church of Scientology International v. Xanthos, et al., in United States District Court, Central District of California, No. 91-4301-SVW(Tx). (1307-47) Therein, Scientology stated:

> The infiltration of [Scientology] was planned as an undercover operation by the LA CID along with former [Scientology] member Gerald Armstrong, who planned to seed [Scientology] files with forged documents which the IRS could then seize in a raid. The CID actually planned to assist Armstrong in taking over the [Scientology] hierarchy which would then turn over all [Scientology] documents to the IRS for their investigation.

(1320)

5. **The Aznaran Litigation**

On or about August 26, 1991, Scientology filed its Supplemental Memorandum in Support of Defendants' Motion to Dismiss Complaint with Prejudice in Aznaran v. Church of Scientology of California, et al. United States District Court, Central District of California, No. CV-88-1786-JMI(Ex). (1349-59) Therein, a Scientology attorney stated that in 1984 Armstrong was

> "plotting against ... Scientology ... and seeking out staff members who would be willing to assist him in overthrowing [Scientology] leadership. [Scientology] obtained information about Armstrong's plans and, through a police-sanctioned investigation, provided Armstrong with the "defectors" he sought. On November 30, 1984, Armstrong met with one Michael Rinder, an individual whom Armstrong thought to be one of his "agents" (but who in reality was loyal to [Scientology]). In the conversation, recorded with written permission from law enforcement, Armstrong stated the following in response to questions by Mr. Rinder as to whether they had to have actual evidence of wrongdoing to make allegations in Court against [Scientology's] leadership . . .
>
> (Ex. E, Declaration of Lynn R. Farney, ¶ 6.) With such a criminal attitude, Armstrong fits perfectly into Yanny's game plan for the Aznaran case."

(1353-54)

Armstrong was cleared by the Los Angeles District Attorney after a thorough - and Scientology generated - investigation. (1576-87)

G. **Armstrong's Post Settlement Breaches**

Scientology's position at the hearing below was that Armstrong violated paragraphs 7-G and 7-H of the settlement agreement. (81-82) The violations were predicated upon the facts that Armstrong had worked for two days in the office of Joseph A. Yanny and had executed two declarations to be filed in the Aznaran case (122-23; 128; 136-38), had later executed a declaration on Yanny's behalf that was filed in Religious Technology Center v. Yanny, LASC No. BC 033035, (124-34), and had worked as a paralegal for Ford Greene in the Aznaran case (143-45; 159-64; 169) in which Armstrong filed another declaration on the Aznarans' behalf. (147-57; RT 5/27/92 at 47)

LEGAL ARGUMENT

II. THE INJUNCTION SHOULD BE DISSOLVED

A. STANDARD OF REVIEW

1. Abuse Of Discretion

> "'[T]rial courts should evaluate two interrelated factors when deciding whether or not to issue a preliminary injunction. The first is the likelihood that the plaintiff will prevail on the merits at trial. The second is the interim harm that plaintiff is likely to sustain if the injunction were denied as compared to the harm that the defendant is likely to suffer if the preliminary injunction were issued. [Citations.]' (IT Corp v. County of Imperial (1983) 35 Cal.3d 63, 69-70.) 'On appeal, the question becomes whether the trial court abused its discretion in ruling on *both* factors.' (Cohen v. Board of Supervisors (1985) 40 Cal.3d 277, 286-87.)"

Ketchens v. Reiner (1987) 194 Cal.App.3d 470, 474.

Just as when a claim involves a facial attack on the constitutionality of an ordinance enforced by an injunction, the reviewing court's consideration of whether the trial court abused its discretion as to the likelihood of the plaintiff's prevailing on the merits can invoke a determination of the constitutionality of the contractual provisions injunctively enforced. Id.

"The action of the state courts and of judicial officers in their official capacities is to be regarded as action of the State within the meaning of the Fourteenth Amendment." Shelley v. Kraemer (1918) 334 U.S. 1, 13. Included within the scope of state action is that which abrogates First Amendment rights. Id.

at 17.

Indeed, the appellate court can proceed to determine the merits of a facial constitutional attack without analyzing whether the trial court abused its discretion under the traditional two-part test. Cohen, supra, 40 Cal.3d at 287; Palos Verdes Shores Mobile Estates, Ltd. v. City of Los Angeles (1983) 142 Cal.App.3d 362, 368; Ortiz v. Woods (1982) 129 Cal.App.3d 672, 676; North Coast Coalition v. Woods (1980) 110 Cal.App.3d 800, 804-05. As Justice Ashby has explained:

> Occasionally, however, the likelihood of prevailing on the merits depends upon a question of pure law rather than upon evidence to be introduced at a subsequent full trial . . . If such a question of pure law is presented, it can sometimes be determinative over the other factor, for example, when the defendant shows that the plaintiff's interpretation is wrong as a matter of law and thus the plaintiff has no possibility of success on the merits.

Bullock v. City & County of San Francisco (1990) 221 Cal.App.3d 1072, 1094.

As will be seen below, based upon the facts set forth above, the case at bar can be resolved in this court on its merits.

2. The Constitutionality Of The Contractual Terms Enforced By Injunction Is Susceptible Of De Novo Review

The interpretation of a written document is a question of law, not of fact. In the absence of conflicting evidence, a reviewing court must independently interpret the written instrument. Parsons v. Bristol Development Co. (1965) 62 Cal.2d 861, 866. Thus, the interpretation of a written instrument presents a question of law to be decided de novo by an appellate court. Broffman v. Newman (1989) 213 Cal.App.3d 252, 257.

> "Even where extrinsic evidence was offered in the trial court, a reviewing court is not bound by the trial court's findings if the extrinsic evidence is not in conflict, is not substantial, or is inconsistent with the only interpretation to which the instrument is reasonably susceptible."

Okun v. Morton (1988) 203 Cal.App.3d 805; SCLC v. Al Malaikah

Auditorium Co. (1991) 230 Cal.App.3d 207, 219.

Since, below, Armstrong did not contest his actions which Scientology claimed were breaches of the settlement agreement, and since Scientology did not contest the truth of Armstrong's characterizations of its actions or those of Armstrong's former counsel, Michael Flynn, there is no conflicting evidence. Thus, this case is susceptible of de novo review.

B. The Preliminary Injunction

Judge Sohigian ordered the preliminary injunction as follows:

> Defendant Gerald Armstrong, his agents, and persons acting in concert or conspiracy with him (excluding attorneys at law who are not said defendant's agents or retained by him) are restrained and enjoined during the pendency of this suit pending further order of court from doing directly or indirectly any of the following:
>
> Voluntarily assisting any person (not a governmental organ or entity) intending to make, intending to press, intending to arbitrate, or intending to litigate a claim against the persons referred to in sec. 1 of the "Mutual Release of All Claims and Settlement Agreement" of December, 1986 regarding such claim or regarding pressing, arbitrating, or litigating it.
>
> Voluntarily assisting any person (not a governmental organ or entity) arbitrating or litigating a claim against the persons referred to in sec 1 of the "Mutual Release of All Claims and Settlement Agreement" of December, 1986.
>
> The court does not intend by the foregoing to prohibit defendant Armstrong from : (a) being reasonably available for the service of subpoenas on him; (b) accepting service of subpoenas on him without physical resistance, obstructive tactics, or flight; (c) testifying fully and fairly in response to properly put questions either in deposition, at trial, or in other legal or arbitration proceedings; (d) properly reporting or disclosing to authorities criminal conduct of the persons referred to in sec. 1 of the "Mutual Release of All Claims and Settlement Agreement" of December, 1986; or (e) engaging in gainful employment rendering clerical or paralegal services not contrary to the terms and conditions of this order." (1715)

III. THE ISSUANCE OF AN INJUNCTION IS AN UNCONSTITUTIONAL PRIOR RESTRAINT WHICH IS PREDICATED UPON THE SUPPRESSION OF THE CONTENT OF ARMSTRONG'S SPEECH

A. Enforcement By Injunction Violates Armstrong's First Amendment Rights

The First Amendment right to free speech is applicable to the states through the Fourteenth Amendment. Gitlow v. New York (1925) 268 U.S. 652, 666. The U.S. Supreme Court has stated that "Prior restraints on speech and publication are the least tolerable infringement on First Amendment rights." Nebraska Press Association v. Stuart (1976) 427 U.S. 539, 559. Thus, "The loss of First Amendment freedoms, for even minimal periods of time, unquestionably constitutes irreparable injury." Elrod v. Burns (1976) 427 U.S. 347, 373-74, 49 L.Ed.2d 547; C.B.S., Inc. v. U.S. District Court (9th Cir. 1984) 729 F.2d 1174, 1177. An injury is irreparable only if it cannot be undone through monetary remedies. Cate v. Oldham (11th Cir. 1983) 707 F.2d 1176, 1189. "Under our constitutional system prior restraints, if permissible at all, are permissible only in the most extraordinary of circumstances." C.B.S., 729 F.2d at 1183. Therefore, prior restraint on expression comes with a "heavy presumption" against constitutional validity. Organization For A Better Austin v. Keefe (1971) 402 U.S. 415, 419. In addition, the Supreme Court's "decisions involving associational freedoms establish that the right of association is a 'basic constitutional freedom' [citation] that is 'closely allied to freedom of speech and a right which, like free speech, lies at the foundation of a free society.'" Buckley v. Valeo (1976) 424 U.S. 1, 25.

The effect of the injunction issued below is to prevent Armstrong both from freely speaking with the class of people who have been injured and harmed by Scientology, as well as associating with them. Under the same principles employed by Judge Sohigian a rape victim could be enjoined from associating and communicating with other rape victims because she signed a gag agreement with her attacker. It makes no sense that a criminal organization [8] can buy the silence of its victims and then use the power of the judiciary to enforce it.

> Even where individuals have entered into express agreements not to disclose certain information, either by consent agreement [citation]; or by an employment contract and secrecy oath [citation], the courts have held that judicial orders enforcing such agreements are prior restraints implicating First Amendment rights.

In Re Halkin (D.C. Cir. 1979) 598 F.2d 176, 190.

Professor Melville B. Nimmer, in Freedom of Speech: A Treatise on the First Amendment (1984) put the value of freedom of speech and thought as follows:

> But it is not just the search for political truth for which freedom of speech is a necessary condition. The search for all forms of "truth," which is to say the search for all aspects of knowledge and the formulation of enlightened opinion on all subjects is dependent upon open channels of communication. Unless one is exposed to all the data on a given subject it is not possible to make an informed judgement as to which "facts" and which views deserve to be accepted. If any governmental body, be it a legislative body, a censorship board, the police department or a court of law, decides that **the public should not have access to some of the data on any given topic because the communication of such data will prove injurious in some manner, to that extent the public's ability to make an informed judgement on such topic is crippled by a distortion of the data before it.**

M.B. Nimmer, Freedom of Speech: A Treatise on the First Amendment (1984) § 1.02[A] p. 1-7.

It is precisely such a distortion as identified by Professor Nimmer that the injunction has engendered by the enforcement of the settlement agreement. Ironically, the trial court realized that the injunction dealt with the suppression of the content of Armstrong's speech.

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[8] See, United States v. Heldt (1981) 668 F.2d 1238, 1247, cert. denied (1982) 102 S.Ct. 1971; and Appendix pp. 492-93, 738-40, 996-97, 1000-01, 1045-46.

> . . . The information that's being suppressed in this case, however, is information about extremely blame-worthy behavior of the plaintiff which nobody owns; it is information having to do with the behavior of a high degree of offensiveness and behavior which is meritorious in the extreme.
>
> It involves abusing people who are weak. It involves taking advantage of people who for one reason or another get themselves enmeshed in this extremist view in a way that makes them unable to resist it apparently. It involves using techniques of coercion.

(1700)

Judge Sohigian recognized, moveover, that in addition to being malevolent, Scientology also acts dishonestly:

> There appears to be in the history of their behavior a very, very substantial deviation between their conduct and standards of ordinary, courteous conduct and standards of ordinary, honest behavior. They're just way off in a different firmament . . . They're the kind of -- it's the kind of behavior which makes you sort of be sure you cut the deck and be sure you've counted all the cards. If you're having a friendly poker game you'd make sure to count all the chips before you dealt any cards.

(1701)

The injunction at issue prohibits Armstrong from exercising his right to speak on the basis of content, that is, unless Armstrong is subpoenaed, he may not speak on the subject of Scientology or L. Ron Hubbard. Such content control is, however, anathema to our constitutional scheme. It allows an organization which abuses "people who are weak" by the employment of "techniques of coercion" to silence one of the most effective and knowledgeable individuals able to articulate how Scientology affects individuals "in a way that makes them unable to resist it apparently."

> [A]bove all else, the First Amendment means that government has no power to restrict expression because of its message, its ideas, or its content. [Citations.] To permit the continued building of our politics and culture, and to assure self-fulfillment for each individual, our people are guaranteed the right to express any thought, free from

> government censorship. The essence of this forbidden censorship is content control. Any restriction of expressive activity because of its content would completely undercut the 'profound national commitment to the principle that debate on public issues should be uninhibited, robust and wide-open. [Citation.]

Police Department v. Mosley (1972) 408 U.S. 92, 96.

The injunction enforcing Scientology's settlement provisions is the most blatant form of content control. In light of the evidence before the trial court, it is clear that the public has a substantial interest in learning the truth about Scientology from Gerald Armstrong.

Indeed, in the litigation in America concerning Russell Miller's book, Bare-Faced Messiah (1987 Penguin Books) [9] Judge Leval wrote:

> Hubbard is unquestionably a figure of legitimate public concern. As the founder of a religion drawing vast numbers of adherents, as the author of instructive books which have sold millions of copies, and as a figure who at times in his life sought a high degree of publicity and at other times sought seclusion and secrecy, he is a subject of great public interest. If it is arguable (which I do not judge)

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[9] Not only was Bare-Faced Messiah the litigation in which the Long Affidavits were filed concerning Armstrong (1506-70), the preface of the book was dedicated almost entirely to Armstrong who is quoted as saying:

> "I realized I had been drawn into Scientology by a web of lies, by Machiavellian mental control techniques and by fear. The betrayal of trust began with Hubbard's lies about himself. His life was a continuing pattern of fraudulent business practices, tax evasion, flight from creditors and hiding from the law. He was a mixture of Adolf Hitler, Charlie Chaplin and Baron Munchausen. In short, he was a con man."

Bare-Faced Messiah, at pp. 5-6. This man is now silenced by an injunction which allows Scientology to say what it wants when it wants regarding him in all its litigations while he can only respond if subpoenaed to testify, or face contempt and possible jailing. (The court is requested to take judicial notice of the fact that an OSC re Contempt is currently set for hearing below on February 16, 1993.)

> that his career and the Scientology religion have been advanced through deception, this is certainly a subject appropriate for critical exploration.

New Era Publications International v. Henry Holt and Company, Inc. (1988 S.D.N.Y.) 695 F.Supp. 1493, 1506.

B. Enforcement By Injunction Violates The Public's First Amendment Rights

The First Amendment values at issue are not limited to Armstrong. They include the American public as well.

> The freedom of speech and of the press, which are secured by the First Amendment against abridgment by the United States, are among the personal rights and liberties which are secured to all persons by the Fourteenth Amendment by a state. [¶] The safeguarding of these rights to the ends that men may speak as they think on matters vital to them and that falsehoods may be exposed through the process of education and discussion is essential to free government. Those who won our independence had confidence in the power of free and fearless reasoning and communication of ideas to discover and spread political and economic truth. Noxious doctrines in those fields may be refuted and their evil averted by the courageous exercise of the right of free discussion. Abridgment of freedom of speech and of the press, however, impairs those opportunities for public education that are essential to the power of correcting error through the processes of popular government.

Thornhill v. State of Alabama (1940) 310 U.S. 88, 95. (Emphasis added.)

Since the goal of the First Amendment is "producing an informed public capable of conducting its own affairs," Red Lion Broadcasting v. F.C.C. (1969) 395 U.S. 367, 392, "[t]he protection of the public requires not merely discussion, but information." New York Times v. Sullivan (1964) 376 U.S. 254, 272. Thus, the mark at which the First Amendment aims is "the widest possible dissemination of information from diverse and antagonistic sources." Associated Press v. United States 326 U.S. 1, 20.

Since the "First Amendment forbids the government to regulate speech in ways that favor some viewpoints or ideas at the expense of others," City Council v. Taxpayers for Vincent

(1984) 466 U.S. 789, 804, it seeks to "preserve an uninhibited marketplace of ideas in which truth will ultimately prevail, rather than to countenance the monopolization of that market, whether it be by Government itself or a private licensee." Red Lion, 395 U.S. at 390.

It is precisely what the First Amendment forbids that the trial court has done. Scientology is assisted in suppressing the truth known by Armstrong so that it can monopolize and inhibit the "marketplace of ideas" where the American public will judge it. By judicial enforcement of the settlement agreement, free speech through the medium of litigation, on issues critically affecting the public, through Gerald Armstrong, is censored. Thus, Scientology will continue to victimize "weak people" with relative impunity. This is intolerable.

Scientology apparently bought Armstrong's right to free speech, but it cannot get the judiciary to do the dirty work of imposing prior restraints for it so that it can violate the rights of others with a minimization of accountability for the consequences of its conduct.

> "If there be time to expose through discussion the falsehood and fallacies, to avert the evil by the processes of education, the remedy to be applied is more speech, not enforced silence."

Whitney, 274 U.S. at 377. "Speech concerning public affairs is more than self-expression; it is the essence of self-government. It is the right of the public to receive suitable access to social, political, aesthetic, moral and other ideas and experiences." Ibid. The scope of the First Amendment "goes beyond protection of the press and the self-expression of individuals to prohibit government from limiting the stock of information from which the members of the public may draw." First National Bank of Boston v. Bellotti (1978) 435 U.S. 765, 783. The First Amendment protects the public constitutional interest in receiving information. Kleindienst v. Mandel (1972) 408 U.S. 753, 762-63.

> Publicity is justly commended as a remedy for social and industrial diseases. Sunlight is said to be the best of disinfectants; electric light the most efficient policeman.

Buckley, supra, 424 U.S. at 67.

The trial court's muting of Armstrong is the enforced deafening of the public. It is wrong to allow a criminal organization to buy the silence of its greatest critic, particularly in litigation. The content of speech of the nature at issue in this case cannot be sacrificed on the altar of settlement. Such would be an affront to democracy.

C. Enforcement By Injunction Violates Equal Protection Because It Creates Classes of Litigants Predicated Upon A Classification Based Upon Wealth

The trial court treats some speech on the subject of Scientology differently than others. Thus, this Court must address the injunction in terms of the Equal Protection Clause of the Fourteenth Amendment. The injunction affects Armstrong's right to freely speak through the medium of litigation. This is expressive conduct, speech. Moreover, it does so by a classification formulated in terms of the content of his speech, that is, the prohibition is tied to the subject of L. Ron Hubbard and Scientology. The injunction creates other classifications regarding Armstrong's right to testify. Under oath pursuant to subpoena he may, but by declaration he may not. The difference between the two is money. While depositions cost money, declarations don't.

The crucial question is whether there is an appropriate governmental interest that is suitably furthered by the differential treatment.

The central problem with the injunction is that it limits Armstrong's right to speak in adversary proceedings in terms of the content of his speech. Others may speak of Scientology through declarations; he may not. He may speak on all subjects through declarations, but not on Scientology. The operative distinctions are (1) the subject of Scientology, and (2) the money required to purchase speech on that subject.

". . . [A]bove all else, the First Amendment means that government has no power to restrict expression because of its message, its subject matter, or its content." Police Department v. Mosley, supra, 408 U.S. at 95.

Necessarily then, under both the Equal Protection Clause, as well as the First Amendment, the government may not select "which issues are worth discussing or debating" by enjoining Armstrong from discussing Scientology in litigation. Id. at 96. "There is an 'equality of status in the field of ideas,' and government must afford all points of view an equal opportunity to be heard." Ibid. A fortiori, this concept applies in litigation.

Even if the state may have a legitimate interest in controlling the content of Armstrong's speech, and it does not, its justifications must be "carefully scrutinized" and must be "tailored to serve a substantial governmental interest." Id. at 99. In view of the fundamental nature of the rights to free speech, and to association, governmental action which may have the effect of curtailing these freedoms is subject to a standard of review of strict scrutiny. Buckley, supra, 424 U.S. at 25.

The only possible governmental interest supporting the injunction is the settlement of lawsuits. This interest, however, does not carry the weight of Armstrong's speech interest, and the requirement that the only way litigants can have access thereto is to purchase it. The value of Armstrong's speech interest is in providing competent proof and information regarding a criminal organization. The state's interest in settling lawsuits, in this case, through an injunction has resulted in the enforcement of a criminal organization's purchase of the suppression of facts harmful to its antisocial goals.

Since the injunction describes impermissible speech, not in terms of time, place and manner, but in terms of the subject matter of Scientology, it "slips from the neutrality of time, place and circumstance into a concern about content." Ibid. Allowing Armstrong's speech to take place only pursuant to subpoena - which costs money - does not sanitize the content-control imposed by the injunction.

> [T]he concept that government may restrict the speech of some elements of our society in order to enhance the relative voice of others is wholly foreign to the First Amendment, which was designed "to secure 'the widest possible dissemination of information from diverse and antagonistic sources,'" and "to assure unfettered exchange of ideas for the bringing about of political and social changes desired by the people." [citations.] The First Amendment's protection against governmental abridgment of free expression cannot properly be made to depend upon a person's financial ability to engage in [or prevent] public discussion.

Buckley, supra, 424 U.S. at 48-49.

Under the circumstances of this case, and in light of Scientology's criminal history, its wholesale violations of citizen's civil rights, and Armstrong's knowledge thereof, settlement does not outweigh censorship. There is a less restrictive alternative - completely free speech - whether by declaration, deposition or at trial.

The right to redress is applicable to the states through the Fourteenth Amendment. DeJonge v. Oregon (1937) 299 U.S. 353, 364-65. The injunction makes a distinction based upon class and wealth. The state is exempted from the requirement to compel Armstrong's testimony - he may speak voluntarily with agents of the state. Ordinary citizens who have been harmed by Scientology, and who do not have the benefit of the power of the state, must pay money in order to obtain what the state can obtain for free. In other words, to obtain Armstrong's knowledge of Scientology, the state is entitled to exercise the constitutional right to redress of grievances for free while an ordinary citizen is restricted from such constitutional exercise of rights based upon wealth because he or she must pay money in order to obtain Armstrong's testimony through expensive deposition, at trial, or both. The government is not permitted to do this. Douglas v. California (1963) 372 U.S. 353; Harper v. Virginia Board of Education (1966) 383 U.S. 663; Boddie v. Connecticut (1971) 401 U.S. 371.

Indeed, of all the circumstances conceivable, it is a vicious irony that a criminal organization, masquerading in the guise of a religion, which "[i]n addition to violating and abusing its own members civil rights, . . . with its 'Fair Game' doctrine has harassed and abused those persons not in the Church whom it perceives as enemies," (474) can require people to pay for evidence which the government can have for free. As stated by Judge Geernaert when Scientology first attempted to enforce the settlement agreement,

> I know we like to settle cases. But we don't want to settle cases and, in effect, prostrate the court system into making an order which is not fair or in the public interest.

(606) The person who really pays for the injunction at issue is the litigant who doesn't have the financing to pay for testimony.

IV. THE INJUNCTION IS UNCONSTITUTIONALLY OVERBROAD AND IMPERMISSIBLY VAGUE AND THEREFORE VOID

> It is a basic principle of due process that an enactment is void for vagueness if its prohibitions are not clearly defined. Vague laws offend several important values. First, because we assume than man is free to steer between lawful and unlawful conduct, we insist that laws give the person of ordinary intelligence a reasonable opportunity to know what is prohibited, so that he may act accordingly. Vague laws may trap the innocent by not providing fair warning. Second, if arbitrary and discriminatory enforcement is to be prevented, laws must provide explicit standards for those who apply them. Second, if arbitrary and discriminatory enforcement is to be prevented, laws must provide explicit standards for those who apply them. A vague law impermissibly delegates basic policy matters to policemen, judges, and juries for resolution on an ad hoc and subjective basis, with attendant dangers of arbitrary and discriminatory application. Third, but related, where a vague statute "abut[s] upon sensitive areas of basic First Amendment freedoms," it "operates to inhibit the exercise of [those] freedoms." Uncertain meanings inevitably lead citizens to "steer

> far wider of the unlawful zone . . . than if the boundaries of the forbidden areas were clearly marked."

Grayned v. City of Rockford (1972) 408 U.S. 104, 108-09. An additional reason which supports the void for vagueness rule is that such vagueness encourages erratic application and permits and encourages harsh and discriminatory enforcement, particularly against he who merits the displeasure of the authorities. Papachristou v. City of Jacksonville (1972) 405 U.S. 156, 162, 170; Colautti v. Franklin (1979) 439 U.S. 379, 390.

Judge Sohigian's injunction prohibits Armstrong, and Ford Greene, his attorney, from

> "Voluntarily assisting any person (not a governmental organ or entity) intending to make, . . . press . . . arbitrate, or . . . litigate a claim against ['all Scientology and Scientology affiliated organizations and entities and their officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel' (72)] regarding such claim or regarding pressing, arbitrating, or litigating it.
>
> Voluntarily assisting any person (not a governmental organ or entity) arbitrating or litigating a claim against ['all Scientology and Scientology affiliated organizations and entities and their officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel' (72)]"

The above quoted order is vague and overbroad.

Ford Greene represents the plaintiffs in Aznaran v. Church of Scientology of California, United States District Court, Central District of California, Case No. CV-88-1786-JMI. (159) Were he to comply with the injunction, he would be precluded from representing the Aznarans because he also represents Armstrong. This is a chilling infringement on both the Aznarans' and Armstrong's constitutional right to counsel of their choice. It is an interference with Greene's right to practice law and with Greene's obligation to represent people - who cannot otherwise find counsel willing to face "Fair Game" - against Scientology.

Gerald Armstrong works for Ford Greene. Greene litigates against Scientology. Does Armstrong's employment by Greene constitute assistance within the terms of the injunction? Is Armstrong in violation of the order when he works on non-Scientology cases, because in so helping Greene carry the load Greene can dedicate more time litigating against Scientology? Is Armstrong in violation of the injunction when he answers the phone and somebody suing Scientology is on the other end? If Armstrong orders office supplies some of which will be used in anti-Scientology litigation, is he in violation? If Armstrong handles outgoing Scientology-related mail? Opens an envelope? Licks a stamp? Goes to the post office? Assembles exhibits to a brief opposing a Scientology motion? Signs a proof of service?

How is Armstrong to ascertain what and who are "all Scientology and Scientology affiliated organizations and entities and their officers, agents, representatives, employees, volunteers, directors, successors, assigns and legal counsel[?]" (72)

Finally, Armstrong may engage "in gainful employment rendering clerical or paralegal services not contrary to the terms and conditions of" the injunction. (1715) Since the injunction is not clear about what Armstrong can or cannot do, however, this provision, too, is vague and unclear. It restricts his employment, and Greene's law practice.

V. THE INJUNCTION IS VOID SINCE IT IS TOO INDEFINITE AND UNCERTAIN TO BE SPECIFICALLY PERFORMED

Civil Code section 3390 (5) prohibits enforcement by specific performance of "an agreement, the terms of which are not sufficiently certain to make the precise act which is to be done clearly ascertainable." When one seeks to obtain specific performance, "a greater degree or amount of certainty is required in the terms of an agreement which is to be specifically executed in equity than is necessary in a contract which is the basis for an action at law for damages." Long Beach Drug Co. v. United Drug Co. (1939) 13 Cal.2d 158, 88 P.2d 698, 701. Thus, even though a contract might be valid, it is not necessarily specifically enforceable, or the proper subject of a prohibitory injunction due to its intrinsic nature, or due to lack of definiteness. Ibid; Lind v. Baker (1941) 48 Cal.2d 234, 119 P.2d 806, 812; Hunter v. Superior Court (1939) 36 Cal.App.2d 100, 97 P.2d 492, 498.

Even though the trial court rewrote the contract provisions found at 7-G and 7-H of the settlement agreement (81-82), for the reasons discussed above the provisions of the injunction are fraught with uncertainty and therefore not susceptible of specific performance. Thus, there are no "contractual terms which are sufficiently definite to enable the court to know what it is to enforce." Tamarind Lithography Workshop v. Sanders (1983) 143 Cal.App.3d 571, 575; Henderson v. Fisher (1965) 236 Cal.App.2d 468, 477.

The provisions of the injunction are fatally uncertain.

VI. SPECIFIC PERFORMANCE DOES NOT LIE INASMUCH AS IT WOULD REQUIRE PROTRACTED SUPERVISION AND DIRECTION OF THE COURT.

A contract which requires a continuing series of acts and demands cooperation between the parties for successful performance of those acts is not subject to specific performance. Thayler, 255 Cal.App.2d at 303.

> Courts of equity will not decree the specific performance of contracts which, by their terms, stipulate of a succession of acts whose performance cannot be consummated by one transaction inasmuch as such continuing performance requires protracted supervision and direction.

Id. at 255 Cal.App.2d at 304; Whipple Quarry Co. v. L.C. Smith Co. (1952) 114 Cal.App.2d 214, 249 P.2d 854, 855; Lind, 119 P.2d at 813; Hunter, 97 P.2d at 498.

In addition to being overbroad, vague and uncertain, the injunction would require constant supervision to enforce. The court would have to be at the parties' elbow making determinations as to when anything which related to Scientology was sufficiently attenuated therefrom to allow Armstrong to work on it in the course of his employment, or deciding when someone or something was or was not adverse to, or aligned against Scientology. It is an invitation for Scientology to ensconce itself in Greene's law office. It is impossible for the Court to decipher the ambiguities inherent in the injunction. But even if it could be rationally construed, the injunction could never be enforced.

VII. SINCE THERE IS NO MUTUALITY OF REMEDY, SPECIFIC PERFORMANCE WILL NOT LIE

In bilateral contracts, such as the agreement herein, mutuality of obligation and remedy is necessary because of mutual promises. The doctrine requires that the promises on each side must be binding obligations in order to be consideration for each other. Mattei v. Hooper (1958) 51 Cal.2d 119, 122, 330 P.2d 625; Larwin-Southern Calif. v. JGB Inv. Co. (1979) 101 Cal.App.3d 606, 637, 162 Cal.Rptr. 52. In order for the agreement to be obligatory on either party, it must be mutual and reciprocal in its obligations. Harper v. Goldschmidt (1909) 156 Cal. 245, 104 P. 451.

Paragraphs 4-A and 4-B of the agreement prohibit Armstrong from litigating Scientology's complaint against him on appeal while allowing Scientology to litigate the matter in the appellate courts to the extent it desired. (75-76) Paragraph 7-D prohibits Armstrong from speaking to others about Scientology, but does not prohibit Scientology from talking to others about Armstrong. (77-79) Paragraph 7-E requires Armstrong to deliver documents about Scientology to Scientology, but does not require Scientology to deliver to Armstrong documents it possessed concerning him. (79-81) Paragraph 7-G prohibits Armstrong from assisting or cooperating with persons adverse to, or aligned against Scientology, but did not prohibit Scientology from assisting or cooperating with persons who were aligned against or adverse to Armstrong, to wit, the Long Affidavits. Paragraph 7-H prohibits Armstrong from testifying about Scientology, but did not prohibit Scientology from testifying about Armstrong, to wit, the Long Affidavits.

There are two provisions in the agreement that are mutual. One is that Armstrong would dismiss his Cross-Complaint in consideration for a payment of money. The other was in Paragraph 7-I (82) which stated that neither party would say anything about the other in future litigation. It was Armstrong's understanding and intent at the time of the settlement that he would honor the silence and confidentiality provisions of the settlement agreement, and that Scientology would do likewise. (672) As to the former, Scientology obtained what it paid for, and as to the latter, Scientology has consistently breached it. Thus, as to the provisions that Scientology seeks to specifically enforce, specific performance can not be had because there is an absence of mutuality.

VIII. ARMSTRONG HAD NO FREEDOM OF CONSENT

A. Duress

Sections 1569 (1) and (3) of the California Civil Code defines duress as the (1) "[u]nlawful confinement of the person of the party, . . ." or (2) "[c]onfinement of such person, lawful in form, but fraudulently obtained, or fraudulently made unjustly harassing or oppressive." The cases, however, have established much broader definitions, and consequently, the language of the decisions can rarely be reconciled with the statutory language. For example, in Harlan v. Gladding, McBean & Co. (1907) 7 Cal.App. 49, duress means a condition of mind produced by improper external pressure or influence that practically destroys the free will of a person and causes him to do an act or enter into a contract not of his own volition. In Sistrom v. Anderson (1942) 51 Cal.App.2d 213, duress is effectuated by an unlawful threat which overcomes the will of the person threatened and induces him to do an act that he is not bound to do and would not otherwise have done. Steffen v. Refrigeration Discount Corp. (1949) 91 Cal.App.2d 494, states that the test of duress, at its harshest, is what would have influenced the conduct of a reasonable man. Indeed, the modern tendency is to find duress wherever one, by the unlawful act of another, is induced to make a contract under circumstances which deprive him of the exercise of free will. See Keithley v. Civil Service Board (1970) 11 Cal.App.3d 443; Balling v. Finch (1962) 203 Cal.App.2d 413; Gross v. Needham (1960) 184 Cal.App.2d 446; Lewis v. Fahn (1952) 113 Cal.App.2d 95; Sistrom, 51 Cal.App.2d at 213. Under this standard, duress is to be tested, not by the nature of the threat, but by the state of mind induced in the victim. Balling, 203 Cal.App.2d at 413; Lewis, 113 Cal.App.2d at 95.

In the case at bar, the agreement was made under duress and is, thus, voidable. Specifically, in Paragraph 11-A of the agreement: "The parties to this Agreement acknowledge . . . [t]hat all parties enter into this Agreement freely, voluntarily, knowingly and willingly, without any threats, intimidation or pressure of any kind whatsoever and voluntarily execute this Agreement of their own free will." (84) However, Armstrong testified that he had endured many years of psychological duress and brainwashing from Scientology. Moreover, he described the duress and undue influence to which he was subjected as soon as he had arrived in Los Angeles and was pressured into signing the agreement. (995-1053; see pp. 10-12, supra.)

Accordingly, duress exists to void the agreement. Indeed, Judge Geernaert noted:

> "So my belief is Judge Breckenridge, being a very careful judge, follows about the same practice and if he had been presented with that whole agreement and if he had been asked to order its performance, he would have dug his feet in to order its performance, he would have dug his feet in because that is one of the -- I have seen -- I can't say -- I'll say one of the most ambiguous, one-sided agreements I have ever read. And I would not have ordered the enforcement of hardly any of the terms had I been asked to, even on the threat that, okay, the case is not settled.

(606)

B. Armstrong's Attorney Had A Conflict Of Interest With Both Armstrong And A Number Of The Other Settling Parties

Rule 5-102 of the Rules of Professional Conduct states:

> (A) A member of the State Bar shall not accept professional employment without first disclosing his relation, if any, with the adverse party, and his interest, if any in the subject matter of the employment. A member of the State Bar who accepts employment under this rule shall first obtain the client's written consent to such employment.
>
> (B) A member of the State Bar shall not represent conflicting interest, except with the written consent of all parties concerned.

In the Armstrong settlement, Armstrong was represented by attorney Michael Flynn. Despite an order to do so (1248-49, 1258), the agreement was never placed before the court. (582) Flynn also represented a number of other Scientologists.

Furthermore, Flynn did not put the second settlement agreement (111-16) before the court. In that second settlement agreement the parties acknowledged that they had "been subjected to intense, and prolonged harassment by the Church of Scientology throughout the litigation, and that the value of the respective claims stated therein is measured in part by the length and degree of harassment." (114)

The second secret settlement agreement was entered into by the settling plaintiffs, including Armstrong, and their attorney, Flynn. The egregious conflicts between the plaintiffs and Flynn, and between plaintiffs themselves, are readily apparent from the face of the document. Notwithstanding these facts, the document has only one fleeting reference to consultation with outside counsel. (114) All of these people, including their attorney, had been subjected to the most outrageous deprivations, harassment and intimidation. Each should have been separately represented in the settlement. None were.

Indeed, concerning Armstrong's settlement, attorney Flynn even had a separate side-deal with the Scientology lawyers. If as a result of the settlement term that Armstrong would not oppose any appeal of the Breckenridge Decision, there was a reversal, damages on retrial against Armstrong would be limited to $25,001 payment for which Scientology would indemnify Flynn. This was never disclosed to Armstrong. Additionally, Flynn told Armstrong that he would represent Armstrong in the future against Scientology, if necessary.

The global settlement, and side-agreements, included Flynn, Armstrong's own attorney who had interests diametrically opposed to those of Armstrong and interests diametrically opposed to those of the other settling former Scientologists. Finally, all of the settling parties had interests that were diametrically opposed as among themselves. Each of them, including Flynn, should have been separately represented. Objectively, none of these settling former Scientologists were capable of representing themselves in this situation. They each required legal counsel with undivided loyalty. What they got, however, was legal counsel who had conflicts between each of his clients and between himself and his clients. No one disputes the Herculean efforts of Michael Flynn against Scientology, but Scientology eventually destroyed Flynn's will to fight. However well he had represented these clients prior to the settlement, he breached all applicable ethical rules in representing himself and all of the settling parties in this global agreement. It was a mammoth conflict of interest for Michael Flynn to represent each of the settling parties in a settlement in which he himself was the largest beneficiary.

Clearly, Armstrong entered the settlement without the benefit of objective counsel. (752-56)

C. **Fraud**

1. **Actual Fraud Exists**

The elements of actual fraud, whether in contract or in tort, have been stated as follows: There must be (1) a false representation or concealment of a material fact (or, in some cases, an opinion) susceptible of knowledge, (2) made with knowledge of its falsity or without sufficient knowledge on the subject to warrant a representation, (3) with the intent to induce the person to whom it is made to act upon it; and such person must (4) act in reliance upon the representation (5) to his damage. Harding v. Robinson (1917) 175 Cal. 534, 538; Wolfe v. Severns (1930) 109 Cal.App. 476, 485; 1 Witkin, Summary of California Law § 393.

The act constituting actual fraud may be concealment or "any other act fitted to deceive." Specifically, "[t]he suppression of that which is true, by one having knowledge or belief of the fact" is actual fraud. Civil Code § 1572 (3); Williamson & Vollmer Engineering v. Sequoia Ins. Co. (1976) 64 Cal.App.3d 261, 273; 1 Witkin, Summary of California Law, § 398. The Restatement points out that concealment is an affirmative act, equivalent to a misrepresentation (Comment a), and that it usually consists either in actively hiding something from the other party, or preventing him making an investigation that would have disclosed the true facts (Comment b).

The purpose of the catch-all statement, "any other act" is suggested in Wells v. Zenz (1927) 83 Cal.App. 137.

> "Fraud is a generic term which embraces all the multifarious means which human ingenuity can devise and are resorted to by one individual to get an advantage over another. No definite and invariable rule can be laid down as a general proposition defining fraud, and it includes all surprise, trick, cunning, dissembling, and unfair way by which another is deceived. The statutes of California expressly provide that . . . any other act fitted to deceive is actual fraud."

In this case, actual fraud in both the form of concealment and active misrepresentation exist.

At the time of the settlement Flynn told Armstrong "that in the event that anything happened he would still be there to defend me." (768) The truth, however, was that Flynn had an agreement with Scientology never to represent anyone against the organization again. [10] Flynn even refused to give Armstrong a declaration to use in his own litigation. (767-68)

None of the well over a dozen plaintiffs involved were told that the agreement was not reciprocal, i.e., that Scientology could say whatever it wanted about the signing plaintiffs following the settlement, but that the plaintiffs, including Armstrong, must remain silent. (91, 667-68) "It was [his] understanding and intention at the time of the settlement that [he] would honor the silence and confidentiality conditions of the settlement agreement, and that the organization had agreed to do likewise." (672) Similarly, Flynn failed to disclose to Armstrong the existence of the side agreement for indemnity. (771, 1253, 1255)

Mr. Flynn knew all these material facts yet concealed them from the signing plaintiffs, including Armstrong, with the intent to induce the plaintiffs, including Armstrong, to sign the agreement. In turn, Armstrong, and the other plaintiffs signed the agreements in reliance upon Mr. Flynn's representations, to their detriment. Accordingly, actual fraud exists to void the agreement.

2. Constructive Fraud Exists

Constructive fraud consists of (1) "any breach of duty which, without an actually fraudulent intent, gains an advantage to the person in fault, or any one claiming under him, by misleading another to his prejudice, or to the prejudice of anyone claiming under him;" (2) "any such act or omission as the law specially declares to be fraudulent, without respect to actual fraud." Civil Code § 1573. Where a confidential or fiduciary relationship exists between the parties, the failure of the person in whom confidence is placed to disclose material facts within his knowledge may constitute constructive fraud within the meaning of Civil Code § 1573 (1). Ford v. Shearson Lehman American Express (1986) 180 Cal.App.3d 1011, 1020; Main v. Merrill Lynch (1977) 67 Cal.App.3d 19, 32; McFate v. Bank of America (1932) 125 Cal.App. 683, 686.

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[10] This is a violation of Rule of Professional Conduct 1-500 (A) which states: "A member shall not be a party to or participate in offering or making an agreement, whether in connection with the settlement of a lawsuit or otherwise, if the agreement restricts the right of a member to practice law."

In the present case, constructive fraud also exists. Flynn, who had a fiduciary relationship as their attorney with the signing plaintiffs, including Armstrong, failed to disclose material facts within his knowledge to the signing plaintiffs prior to their signing the agreement. The failure of Flynn, in whom confidence was placed, to disclose such material facts constitutes constructive fraud, thus, voiding the agreement.

IX. TO THE EXTENT THAT THE INJUNCTION IS IN RESTRAINT OF TRADE, IT IS INVALID.

Apparently, Armstrong is enjoined from working for Ford Greene, but only on Scientology cases. Such is an unreasonable restraint of trade.

Business and Professions Code section 16600 provides that, subject to exceptions contained in its chapter, "every contract by which anyone is restrained from engaging in a lawful profession, trade, or business of any kind is to that extent void." The Restatement 2d, Contracts § 186 states: "(1) A promise is unenforceable on grounds of public policy if it is unreasonably in restraint of trade. (2) A promise is in restraint of trade if its performance would limit competition in any business or restrict the promisor in the exercise of a gainful occupation."

Specifically, Armstrong is employed by Ford Greene. The injunction restricts Armstrong's acts by working for Mr. Greene.

Although covenants not to compete may be enforceable if for a limited time period, such a covenant in perpetuity is not enforceable. Thus, the lifetime prohibition of Armstrong working as a paralegal is void.

X. SCIENTOLOGY HAS NOT MET ITS BURDEN WHICH WOULD ENTITLE IT TO INJUNCTIVE RELIEF BECAUSE IT IS NOT ENTITLED TO THE EQUITABLE REMEDY OF SPECIFIC PERFORMANCE

Applying Civil Code section 3391 to the circumstances of this case, Armstrong cannot be compelled to specifically perform the agreement. [11]

An injunction cannot be granted to prevent the breach of a contract, the performance of which would not be specifically enforced. Thayer Plymouth Center, Inc. v. Chrysler Motors Corp. (1967) 255 Cal.App.2d 300, 304; Eichholtz v. Nicoll (1944) 66 Cal.App.2d 67, 151 P.2d 664, 666. Thus, it is rote that "equity will not lend its aid to enforce contracts which upon their face are so manifestly harsh and oppressive as to shock the conscience; it must be affirmatively shown that such contracts are fair and just." Jacklich v. Baer (1943) 57 Cal.App.2d 684, 135 P.2d 179, 183. The rationale for this rule is grounded in a common sense recognition of the rules of fair play.

> It is said . . . that the doctrine that he who seeks equity must do equity means that the party asking the aid of the court must stand in a conscientious relation to his

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[11] In full, Civil Code section 3391 states: "WHAT PARTIES CANNOT BE COMPELLED TO PERFORM. Specific performance cannot be enforced against a party to a contract in any of the following cases:

1. If he has not received an adequate consideration for the contract;
2. If it is not, as to him, just and reasonable;
3. If his assent was obtained by the misrepresentation, concealment, circumvention, or unfair practices of any party to whom performance would become due under the contract, or by any promise of such party which has not been substantially fulfilled; or
4. If his assent was given under the influence of mistake, misapprehension, or surprise, except that where the contract provides for compensation in the case of mistake, a mistake within the scope of such provision may be compensated for, and the contract specifically enforced in other respects, if proper to be so enforced.

> adversary; that the transaction from which his claim arises must be fair and just and that the relief itself must not be harsh and oppressive upon the defendant. And that specific performance will always be refused when a contract itself is unfair, one-sided, unconscionable, or affected by any other such inequitable feature, and when specific performance would be oppressive upon the defendant, or would prevent the enjoyment of his own rights, or would in any other manner work injustice.

Id, 135 P.2d at 184; Chrittenden v. Hansen (1943) 59 Cal.App.2d 56, 138 P.2d 37, 38; Quan v. Kraseman (1948) 84 Cal.App.2d 550, 191 P.2d 16, 17; Eichholtz, supra.

Scientology cannot prove the fairness and justness of the agreement it seeks to enforce. There is nothing fair about Scientology being able to abuse its right to Free Speech by slandering Armstrong, and then being able to seek a contempt citation and have Armstrong thrown in jail for simply exercising his First Amendment right to tell the truth in the face of Scientology's lies about him.

XI. THE SETTLEMENT AGREEMENT SEEKS TO SUPPRESS EVIDENCE OF JUDICIALLY CREDITABLE FACTS WHICH DISCREDIT THE SCIENTOLOGY ORGANIZATION; SUCH VIOLATES PUBLIC POLICY AND RENDERS THE CONTRACT VOID.

What Scientology is seeking to do is to remove Armstrong, and all others like him, [12] from playing any role in the truth-seeking process, whether such process be found in competition in the public marketplace of ideas, or in the truth-seeking forum provided by the judiciary. By eliminating those who are knowledgeable of its history and practices, Scientology seeks, quite literally, to shape public opinion and skew judicial decision-making by writing its own script. Thus, with no regard for the truth, Scientology may rest secure in the knowledge that it has purchased the silence of witnesses adverse to it. [13]

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[12] For example, Scientology unsuccessfully attempted to enforce identical settlement agreements against the Aznarans. See 190-445 for motion for preliminary injunction. For settlement agreements, see 303-316. For an example of the type of information in the Aznaran case that Scientology sought to suppress, see Declaration of Vicki Aznaran at 417-430. It is remarkably similar to Armstrong's Declarations.

The consideration of a contract must be lawful. Civil Code section 1607. If any part of the consideration is unlawful the entire contract is void. Civil Code section 1608. Consideration is unlawful if it is contrary to an express provision of law, contrary to the policy of express law, though not expressly prohibited, or otherwise contrary to good morals. Civil Code section 1667. The object of the contract is the thing which it is agreed, on the party receiving the consideration, to do or not to do. Civil Code section 1595. The object must be lawful when the contract is made. Civil Code section 1596. Whether or not a contract in a given case is contrary to public policy is a question of law to be determined from the circumstances of each particular case. Bovard v. American Horse Enterprises (1988) 201 Cal.App.3d 832, 838; Kallen v. Delug (1984) 157 Cal.App.3d 940, 951; Russell v. Soldinger (1976) 59 Cal.App.3d 633, 642.

It is a fundamental rule of construction of contracts that all applicable laws in existence when an agreement is made, which laws the parties are presumed to know and have in mind, necessarily enter into the contract and form a part of it without any stipulation to that effect, as if they were expressly referred to and incorporated in the agreement. People v. Hadley

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[13] Such is precisely the type of agreement that current Senate Bill No. 711 seeks to outlaw. As amended January 27, 1992, Senate Bill No. 711 states:

> Notwithstanding any other provision of law, as a matter of public policy, in actions based on fraud, or based upon personal injury . . . no part of any confidentiality agreement, settlement agreement, stipulated agreement, or protective order to keep from public disclosure information that is evidence of fraud shall be entered or enforceable upon settlement or conclusion of any litigation or dispute concerning the fraud . . .

(1967) 257 Cal.App.2d Supp. 871, 881.

"Agreements to suppress evidence have long been held void as against public policy, both in California and in most common law jurisdictions." Williamson v. Superior Court (1978) 21 Cal.3d 829, 836-37. In Brown v. Freese (1938) 28 Cal.App.2d 608, the California Court of Appeal adopted section 557 of the Restatement of the Law of Contracts prohibiting as illegal those agreements which sought to suppress the disclosure of discreditable facts. The court stated:

> A bargain that has for its consideration the nondisclosure of discreditable facts . . . is illegal. . . . In many cases falling within the rule stated in the section the bargain is illegal whether or not the threats go so far as to bring the case within the definition of duress. In some cases, moreover, disclosure may be proper or even a duty, and the offer to pay for nondisclosure may be voluntarily made. Nevertheless the bargain is illegal. Moreover, even **though the offer to pay for nondisclosure is voluntarily made and though there is no duty to make disclosure or propriety in doing so, a bargain to pay for nondisclosure is illegal.** [Emphasis added.]

Brown 28 Cal.App.2d at 618.

In Allen v. Jordanos' Inc. (1975) 52 Cal.App.3d 160, 125 Cal.Rptr. 31, the court did not allow a breach of contract action to be litigated because it involved a contract that was void for illegality. In Allen, plaintiff filed a complaint for breach of contract which he subsequently amended five times. Plaintiff, a union member, was entitled by his collective bargaining agreement to have a fair and impartial arbitration to determine the truth or falsity of the allegations against him of theft and dishonesty. The allegations of the amended complaints stated that there had been an agreement between the parties whereby defendant laid off plaintiff, defendant's employee, and allowed plaintiff to receive unemployment benefits and union benefits. "Defendants also agreed that they would not communicate to third persons, including prospective employers, that plaintiff was discharged or resigned for dishonesty, theft, a bad employment attitude and that defendants would not state they would not rehire plaintiff." Id. at 163. Plaintiff alleged there had been a breach in that defendants had communicated to numerous persons, including potential employers and the Department of Human Resources and Development, that plaintiff was dishonest and guilty of theft and had resigned for fear of being discharged for those reasons, that plaintiff had a bad attitude and that defendants would not rehire him. Plaintiff alleged that as a result of the breach he suffered a loss of unemployment benefits, union benefits and earnings. The court held that the plaintiff had bargained for an act that was illegal by definition. It stated:

> The nondisclosure was not a minor or indirect part of the contract, but a major and substantial consideration of the agreement. A bargain which includes as part of its consideration nondisclosure of discreditable facts is illegal. (See Brown v. Freese, 28 Cal.App.2d 608, 618 [83 P.2d 82.].) It has long been hornbook law that consideration which is void for illegality is no consideration at all. [Citation.]

Id. 52 Cal.App.3d at 166.

The object of a contract must be lawful. Civil Code sections 1550, 1596. If the contract has a single object, and that object is unlawful, the entire contract is void. Civil Code section 1598.

Civil Code § 1668 states:

> All contracts which have for their object, directly or indirectly, to exempt anyone from responsibility for his own fraud, or willful injury to the person or property of another, or violation of law, whether willful or negligent, are against the policy of the law.

Since an agreement to suppress evidence or to conceal a witness is illegal, Witkin, § 611 at 550; Penal Code §§ 136, 136.1, and 138; Mary R. v. B. & R. Corp. (1983) 149 Cal.App.3d 308, 196 Cal.Rptr. 871; Tappan v. Albany Brewing Co. (1889) 80 Cal. 570, 571-572, and the combined effect of the "global settlement" has been to remove the availability as witnesses of most former high-ranking Scientologists, [14] such can "lead to subtle but deliberate attempts to suppress relevant evidence." Williamson, 21 Cal.3d at 838.

Thus, where a contract is made either (1) to achieve an illegal purpose, or (2) by means of consideration that is not legal, the contract itself is void. Witkin, Summary of California Law (9th Ed. 1987) Vol. 1, Contracts, § 441 at 396.

There are two reasons for the rule prohibiting judicial enforcement, by any court, of illegal contracts.

> [T]he courts will not enforce an illegal bargain or lend their assistance to a party who seeks compensation for an illegal act [because] . . . Knowing that they will receive no help form the courts . . . the parties are less likely to enter into an illegal agreement in the first place.

Lewis & Queen, 48 Cal.2d at 149 [308 P.2d at 719].

> This rule is not generally applied to secure justice between parties who have made an illegal contract, but from regard for a higher interest - that of the public, whose welfare demands that certain transactions be discouraged. [Emphasis added.]

Owens v. Haslett (1950) 98 Cal.App.2d 829, 221 P.2d 252, 254.

Illegal contracts are matters which implicate public policy. Public policy means "anything which tends to undermine that sense of security for individual rights, whether of personal liberty or private property, which any citizen ought to feel is against public policy." Ibid. Therefore, "[a] contract made contrary to public policy may not serve as the foundation of any action, either in law or in equity, [Citation] and the parties will be left where they are found when they come to court for relief. [Citation.]" Tiedje v. Aluminum Paper Milling Co. (1956) 46 Cal.2d 450, 454.

It is well settled that agreements against public

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[14] See also Appendix pp. 111-16 for enumeration of those individuals settling as part of the package. Note that most were mentioned as witnesses in Judge Breckenridge's opinion (473).

> policy and sound morals will not be enforced by the courts. It is a general rule that all agreements relating to proceedings in court which involve anything inconsistent with [the] full and impartial course of justice therein are void, though not open to the actual charge of corruption.

Eggleston v. Pantages (1918) 103 Wash. 458, 175 P. 34, 36; Maryland C. Co. v. Fidelity & Cas. Co. of N.Y. 71 Cal.App. 492 Fong v. Miller (1951) 105 Cal.App.2d 411, 414. "In other words, where the illegal consideration goes to the whole of the promise, the entire contract is illegal." Witkin, § 429 at 386; Morey v. Paladini (1922) 187 Cal. 727, 738 ["The desire and intention of the parties [to violate public policy] entered so fundamentally into the inception and consideration of the transaction as to render the terms of the contract nonseverable, and it is wholly void."].

Professor Witkin states:

> It is obviously an obstruction of justice to conceal, suppress, falsify or destroy evidence which is relevant and known to be sought or desired for use in a judicial proceeding or an investigation by law officers.

Witkin, California Criminal Law (2d.Ed. 1988) Vol. 2, § 1132, at p. 1311. Such constitutes a crime against public justice because it is designed to intimidate witnesses and prevent them from giving testimony in violation of Penal Code section 136.1.

> The general rule controlling in cases of this character is that where a statute prohibits or attaches a penalty to the doing of an act, the act is void . . . The imposition by statute of a penalty implies a prohibition of the act to which the penalty is attached, and a contract founded upon such act is void.

Smith v. Bach 183 Cal. 259, 262, quoted in Severance v. Knight-Counihan Co. (1947) 29 Cal.2d 561, 177 P.2d 4, 8.

If a court is not able to distinguish between the lawful part of an agreement, and the unlawful part, "the illegality taints the entire contract, and the entire transaction is illegal and unenforceable. Keene v. Harling (1964) 61 Cal.2d 318, 321; Mailand v. Burckle (1978) 20 Cal.3d 367, 384. Assuming arguendo, that the entire agreement is not unenforceable, then the Court must save the good part, and sever and discard the rest. Civil Code section 1599 tells us what to do with a contract which is partially void, and has at least one distinct lawful object, and at least distinct unlawful object. Section 1599 states that the contract is void as to the unlawful objects, and valid as to the lawful objects. [15]

Armstrong proposes that contractual provisions 4-A, 4-B, 7-E, 7-G, 7-H, 7-I, 10, and 18-D are not lawful for the reasons discussed above. Those provisions share the common objective of suppressing credible, judicially tested information which discredits Scientology. In contrast, Paragraphs 1, 2 and 4 have the distinct objective of settling Gerald Armstrong's Cross-Complaint in Armstrong I. Thus, as to the former, the contract is void, while as to the later it is valid.

It has long been the law in California that

> When the transaction is of such a nature that the good part of the consideration can be separated from that which is bad, the Courts will make the distinction, for the . . . law . . . [divides] according to common reason; and having made that void that is against law, lets the rest stand. [Citation]. Thus, the rule relating to severability of partially illegal contracts is that a contract is severable if the court can, consistent with the intent of the parties, reasonably relate the illegal consideration on one side to some specified of determinable portion of the consideration on the other side.

Keene v. Harling (1964) 61 Cal.2d 318, 320-21; Brown v. Freese, supra.

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[15] This principle is recognized in Paragraph 16 of the settlement agreement which states in "the event any provision hereof be unenforceable, such provision shall not affect the enforceability of any other provision thereof." (85)

CONCLUSION

The injunction should be dissolved. The facts are clearly before the court. There are no disputes. Armstrong does not contest the facts which Scientology characterizes as violations. Scientology has not contested the facts preceding, during and following the execution of the settlement agreement. This one-sided agreement is an affront to fair play. Armstrong never contracted to sacrifice his First Amendment rights so that Scientology could spread lies about him - dead agent him - and the only thing he could do to fight back was to be enjoined and ultimately jailed. Armstrong's history of his battle with Scientology belies such an intent.

The preliminary injunction should be dissolved, and the provisions designed to suppress evidence and obstruct justice severed and stricken from the contract.

DATED: January 18, 1993

By: ____________________
FORD GREENE and PAUL MORANTZ
Attorneys for Defendant
GERALD ARMSTRONG

PROOF OF SERVICE

I am employed in the County of Marin, State of California. I am over the age of eighteen years and am not a party to the above entitled action. My business address is 711 Sir Francis Drake Boulevard, San Anselmo, California. I served the following documents: APPELLANT'S OPENING BRIEF on the following person(s) on the date set forth below, by placing a true copy thereof enclosed in a sealed envelope with postage thereon fully prepaid to be placed in the United States Mail at San Anselmo, California:

SEE SERVICE LIST

[X]	(By Mail)	I caused such envelope with postage thereon fully prepaid to be placed in the United States Mail at San Anselmo, California.
[X]	(State)	I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

DATED: January 19, 1993

SERVICE LIST

Supreme Court of California
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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

DEPARTMENT 41 HON. RAYMOND CARDENAS, JUDGE

RELIGIOUS TECHNOLOGY CENTER, A CALIFORNIA NON-PROFIT RELIGIOUS CORPORATION; CHURCH OF SCIENTOLOGY INTERNATIONAL, A CALIFORNIA NON-PROFIT RELIGIOUS CORPORATION; AND CHURCH OF SCIENTOLOGY OF CALIFORNIA, A CALIFORNIA NON-PROFIT RELIGIOUS CORPORATION,

PLAINTIFFS,

VS.

JOSEPH A. YANNY, AN INDIVIDUAL; JOSEPH A. YANNY, A PROFESSIONAL LAW CORPORATION; AND DOES 1 THROUGH 25, INCLUSIVE,

DEFENDANTS.

SUPERIOR COURT
CASE NO. BC 033035

REPORTER'S TRANSCRIPT

AUGUST 6, 1991

APPEARANCES:

(AS NOTED ON NEXT PAGE.)

COPY

LINDA STALEY, CSR NO. 3359
OFFICIAL REPORTER

CETERA, NOTHING TO DO WITH ADVERSE REPRESENTATION OF SCIENTOLOGY. THEY DO NOT HAVE THE RIGHT --

THE COURT: MR. YANNY, I STATED THAT THE TRO WAS TOO BROAD IN THAT IT IS THE COURT'S INTENT NOT TO PRECLUDE ASSOCIATION, DISCUSSION, AND SO FORTH, AND I THOUGHT THAT WOULD SEND THE MESSAGE THAT IF THERE WAS AN ORDER, IT WOULD BE A LOT MORE NARROW THAN THE TRO THAT WAS SIGNED.

MR. YANNY: YOUR HONOR, BUT BASED ON THE STRENGTH OF WHAT THEY'VE SHOWN; NOTHING?

AND WHAT YOU'RE GOING TO DO BY GIVING THESE, THE MOST LITIGIOUS PEOPLE IN THE CITY OF LOS ANGELES, MAYBE THE STATE OF CALIFORNIA, AND MAYBE THE UNITED STATES, YOU'RE GOING TO GIVE THEM AN ORDER BY WHICH THEY ARE THEN GOING TO HARASS EVERY ONE OF MY EMPLOYEES LIKE YOU SAW THEM DO BEFORE, EVERY ONE OF MY CLIENTS, LIKE YOU SAW THEM DO BEFORE.

OKAY. AND THAT, BASED ON THE STRENGTH OF WHAT THEY SHOWED, YOU KNOW, IT IS -- I HATE TO SAY THIS -- THAT IS INEQUITABLE -- THAT IS INEQUITABLE -- AND ALL OF THIS BECAUSE I DID ONE THING; I HIRED GERRY ARMSTRONG AS A PARALEGAL TO HELP ME ON THE AZNARAN CASE?

THE COURT: NO. ALL BECAUSE --

MR. YANNY: I TOLD HIM ABOUT COPYRIGHT NOTICES AND I MADE AN APPEARANCE IN A FEDERAL CASE AND THAT THE JUDGE DISQUALIFIED ME.

I DON'T THINK AN ORDER IS APPROPRIATE. THIS CASE SHOULD HAVE BEEN THROWN OUT WHEN YOU SAW THE COMPLAINT.

DECLARATION OF JOSE A. ANNY

I, Joseph A. Yanny, make the following declarations from personal knowledge and could competently testify as set forth below if called upon to do so.

1. Declarant is a member in good standing of the California State Bar.

2. I am not an attorney in fact or of record in any case between Gerald Armstrong and any Church of Scientology entity, nor have I been consulted in that regard by either Scientology or Mr. Armstrong with respect to his litigation. I am informed that Mr. Armstrong has done quite well without me. I am informed that the court of appeals has recently issued an opinion on July 29, 1991 in that regard.

3. Mr. Armstrong has consulted me on literary matters involving questions of intellectual property. I decline to disclose the substance of that consultation further, but I will note, however, for the record, that that consultation had nothing at all to do with Scientology and had no relationship at all to anything I ever worked on for Scientology.

4. I have considered employing and have employed Mr. Armstrong as a paralegal from time-to-time in the past. I believe it would be inappropriate, if not illegal, to require that I not employ ex-Scientologists. Mr. Armstrong's views on Scientology should not cost him employment with my firm or elsewhere.

5. In addition, Mr. Armstrong is a potential witness in litigation I am contemplating against Scientology and in the Aznaran case. For example, Scientology has recently libeled me by

EXHIBIT_G

addition t[illegible]eing seen with Gerald Arm[illegible]ong. I filed an appearance in the Aznaran case. I sought an extension of time in which to respond to summary judgment motions first from opposing counsel and then from the court. I suggested to Mr. Quinn that they continue the summary judgment hearings until such time as the Aznarans' representation could be straightened out. Scientology declined that most reasonable suggestion. Accordingly, I filed motions to obtain extensions of time. Ultimately, the court revoked the substitution of attorney and reinstated Ford Greene as counsel of record. Presumably, Mr. Greene is responding to pending motions.

22. My appearance in the Aznaran case was so transitory that I was personally never in possession of the file. Under the circumstances, I never had an opportunity to do any work on the merits of the case. No discovery or trial preparation was done during my brief tenure as counsel of record.

I declare under penalty of perjury under the laws of the State of California and the United States that the foregoing is true and correct.

Executed on July 31, 1991, at Los Angeles, California.

JOSEPH A. YANNY

DECLARATION OF VICKI AZNARAN

I, VICKI AZNARAN, hereby declare as follows:

1. I am over 18 years of age and a resident of the State of Texas. I have personal knowledge of the matters set forth herein and, if called upon to do so, could and would competently testify thereto.

2. From 1972 until 1987, I was a member of various Church of Scientology ("Church") entities. During that time I held a number of important positions in the corporate and ecclesiastical hierarchy of the Church, including President of Religious Technology Center ("RTC") In March of 1987, my husband Richard Aznaran and I left our positions with the Church and returned home to Texas from California.

3. On April 1, 1988, Richard and I filed a lawsuit against several Church entities and individuals in the United States District Court for the Central District of California. We have now settled this case through direct negotiations with Church representatives. This declaration details how we were driven to settlement by the failure of our counsel to adequately litigate our lawsuit and how we were forced to negotiate settlement directly with representatives of the defendants due to our counsels' failure to properly represent our interests when defendants earlier had expressed interests in settlement.

4. Our lawsuit was filed on April 1, 1988 by the firm of Cummins & White. The suit was finalized and prepared in a rush in an attempt to get it filed before it was barred by the statute of limitations.

5. Additionally, despite the fact that I then testified in

deposition about the inaccuracies in the complaint, my counsel did not amend my complaint to correct them. These uncorrected falsehoods placed us at a serious disadvantage as they enabled the defendants to seize upon these points to give the impression that we were changing our testimony and deliberately stating falsehoods.

6. Another defect in the complaint was the amount of money requested, $70,000,000. Seventy million was a highly inflated figure and in fact impaired efforts to settle as the amount was so high. Shortly after the suit was filed, I pointed the high amount out to counsel and was told that it could be adjusted later. It never was.

7. Another liability to the successful prosecution of our lawsuit was the fact that Cummins & White was disqualified from representing us in our case on September 6, 1988.

8. Not being versed in the law, my husband and I relied upon the representations of Barry Van Sickle and Cummins & White that Cummins & White could properly serve as our counsel. This was wrong. Nevertheless Cummins & White expended considerable time and effort to defend their position in this regard, an action which I now understand to have been fought more for their own self-interest than for the advance of my lawsuit. In September 1988 the District Court Judge disqualified Cummins & White as our counsel, specifically finding that Cummins & White was an extension of Yanny's continuing and improper involvement in our case.

9. Because Cummins & White was disqualified, we were without an attorney in our case for several months and our case

was threatened with dismissal. We were forced to expend considerable effort to find new counsel and get him up to speed while the Church continued to litigate our case. To our detriment, and due to the urgency of having to find counsel in an already ongoing case, we were forced to obtain counsel without the necessary resources to adequately litigate the case.

10. Barry Van Sickle's attempts to settle were very weak and ineffective. In June 1991 Mr. Van Sickle reported to us that he had an offer of $1,000,000 to settle our case and one other. The offered amount for our case was $200,000 which we rejected as being too low. It was a starting point but despite our efforts to get Mr. Van Sickle to do so, he never succeeded in getting a counter offer to us. Further, Mr. Van Sickle told us that we would have to fire our existing attorney, Ford Greene, as the Church supposedly refused to deal with him in settling the case. As a result we did fire Mr. Greene. Then when Mr. Van Sickle from Cummins & White failed to complete the settlement we were again left without an attorney for a time as Cummins & White had been ordered not to represent us in the case as covered earlier in this declaration.

11. After being without counsel for several months, and finding ourselves at a serious disadvantage in complex litigation with the Church defendants, we re-hired Ford Greene to be our counsel, based on an order from the Court.

12. It has been our experience that Greene seriously neglected our lawsuit and systematically worsened its posture until it became virtually impossible to salvage.

13. From approximately February 1989 onward Ford Greene was

attorney of record in our lawsuit against the Church. During that time he did virtually no offensive work on the case, and did nothing of substance to advance our litigation position. Before our case was ordered transferred to Dallas, Texas in August of 1992, Greene had only sent out two interrogatories and had did not even take one deposition despite having obtained two extensions of the discovery cut-off. Following the transfer order, Mr. Greene did nothing whatsoever to actually get the case files sent to Dallas, Texas. Meanwhile, no activity has taken place in our case.

14. While representing us, Greene was consistently late in filing papers and in several instances placed our case in serious jeopardy by failing to file needed papers. For example, in December 1990 he neglected to oppose a major summary judgment motion which the defendants had filed. He also failed to timely file several mandatory pre-trial papers which could have interfered with our ability to effectively put on our case at trial.

15. It was reported to me by Barry Van Sickle that Mr. Green smoked marijuana when he was picked up at the airport by Rick Wynne, a Cummins & White attorney and driven to the office of Cummins & White.

16. Furthermore, Greene did not communicate with us regarding activities in our lawsuit and often could not be contacted for extended periods of time. It is my belief that at least one of these periods of non-communication was due to the fact that he had entered a drug rehabilitation program without even informing us that he intended to do so. Ford Greene did

nothing effective to settle our case. In fact, he told me he was worried about settling our case as my husband and I would no longer be witnesses for Gerry Armstrong who is a client of Ford Greene and involved in Scientology related litigation. Additionally, he attempted to bill us for work which he did not do.

17. In fact, Ford Greene solicited us to pay a monthly stipend to him for Gerry Armstrong so he could work on our case. Armstrong was precluded by an earlier agreement from working on Church litigation.

18. Furthermore, like Cummins & White, Greene was aware of the errors in the complaint and never prepared an amended complaint. In fact, he "developed" the case so that the defendants were able to accuse my husband and myself of engineering several contradictory versions of the underlying facts of the complaint. Thus Greene's "management" of the complaint set us up so that we would be faced at trial with seemingly contradictory positions which would undermine our credibility.

19. Greene's inactivity, neglect, mismanagement, and failure to communicate with us endangered our lawsuit. In our view, Mr. Greene's failure to prosecute this case is tantamount to malpractice. Based upon this history, we developed the conviction that Greene would be unable to handle the trial. While we would have preferred to get rid of Greene completely, we hesitated to do so because we knew that it would be extremely difficult for new counsel to rapidly learn the facts of the case on the eve of the trial.

20. In an attempt to resolve this dilemma, we hired John Elstead to be our attorney with Ford Greene. Elstead was recommended to us by Margaret Singer, a psychologist whom we intended to use at trial. Like Greene, Elstead has also neglected to prosecute or advance our case.

21. My husband and I have always been willing to settle our lawsuit and, in fact, considered it likely that the case would end through settlement rather than trial. In the summer of 1991 John Elstead contacted counsel for the defendants to see if there was an interest in settlement. Rather than presenting an acceptable demand, indicative of a serious interest in settlement, Elstead demanded $3,300,000. This was rejected immediately by defendants who did not consider it a serious opening demand and did not treat it as a basis for negotiations.

22. In the late summer of 1992, after the case had been ordered transferred to Dallas, Elstead met with the General Counsel for the Church of Scientology International to discuss settlement. He got nowhere.

23. Seeing that the viability of our lawsuit had been seriously endangered through the neglect and malfeasance of our attorneys, my husband and I felt compelled to take matters into our own hands to resolve this litigation in our best interests. In January of 1994 I spoke directly with Mike Rinder, a senior executive of the Church of Scientology International concerning settling the lawsuit. In the course of discussing settlement with him in this and subsequent conversations, I came to realize that my attorneys had blocked possible settlement for several years. Consistently they failed to convey our true interest in

negotiating a satisfactory end to the litigation. Shortly thereafter, Graham Berry approached us to see if he could negotiate a settlement on our behalf, by falsely claiming he had been contacted by the church making settlement overtures. Desperate to resolve this matter, I told him to go ahead. Instead of making a serious offers, on February 16, 1994 Berry demanded $3,600,000 for the settlement of our case along with various threats that he was not authorized make. Again this was not a serious attempt to settle.

24. Finally I communicated directly with a representative of one of the Church of Scientology defendant organizations. It was only when my attorneys were no longer need that both sides were able to discover that our positions were not that far apart and settlement talks were feasible.

25. In sum, it has been my observation that the counsel which my husband and I have employed have not only prolonged the litigation of our lawsuit, but have mishandled the development of the case for trial, and interfered with the process of settlement. By their actions described above, my counsel appear to have consistently put their own interests above those of myself and my husband and have failed to adequately carry out their responsibilities as members of the Bar. I am convinced we would not have been able to resolve our case had we not done so directly with the Church.

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I declare under the penalty of perjury under the laws of the United States of America, and under the laws of each individual state thereof, including the laws of the states of California and Texas, that the foregoing is true and correct.

Executed this 17th day of May, 1994 in Dallas, Texas.

Vicki J. Aznaran
VICKI J. AZNARAN

HUB LAW OFFICES
Ford Greene, Esquire
California State Bar No. 107601
711 Sir Francis Drake Boulevard
San Anselmo, California 94960-1949
Telephone: (415) 258-0360

Attorney for Defendant
GERALD ARMSTRONG

SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF LOS ANGELES

CHURCH OF SCIENTOLOGY INTERNATIONAL, a California not-for-profit religious corporation; Plaintiffs, vs. GERALD ARMSTRONG; DOES 1 through 25, inclusive, Defendants.	No. BC 052 395 **ARMSTRONG'S RESPONSES TO CSI'S REQUESTS FOR ADMISSION**

TO ALL INTERESTED PARTIES AND TO THEIR ATTORNEYS OF RECORD:

PROPOUNDING PARTY: Plaintiff Church of Scientology International

RESPONDING PARTY: Defendant Gerald Armstrong

SET NO: One.

REQUEST FOR ADMISSION NO. 1

During 1990 and 1991, you voluntarily provided aid and/or advice to Bent Corydon and/or Corydon's attorney, Toby Plevin, in the case of Bent Corydon v. Church of Scientology International, et al., Los Angeles Superior Court Case No. C 694401.

RESPONSE TO REQUEST FOR ADMISSION NO. 1

Armstrong objects to this request for admission on the grounds that it is vague and ambiguous as to phrase "aid and/or advice." If the phrase is given the widest of meanings imaginable, or an unqualified meaning, then Armstrong submits an unqualified admission.

REQUEST FOR ADMISSION NO. 2

In May, 1992, you voluntarily provided a declaration to Gary M. Bright and/or Jerold Fagelbaum.

RESPONSE TO REQUEST FOR ADMISSION NO. 2

Admitted.

REQUEST FOR ADMISSION NO. 3

Gary M. Bright and Jerold Fagelbaum are attorneys for defendants and counter-claimants David Mayo, Church of the New Civilization, John Nelson, Harvey Haber, Vivien Zegal and DeDe Reisdorf in the case of Religious Technology Center, et al. V. Robin Scott, et al., United States District Court for the Central District of California, Case No. CV 85-711 JMI (Bx).

RESPONSE TO REQUEST FOR ADMISSION NO. 3

Armstrong lacks sufficient information to be able to admit of deny this request. Armstrong objects to this request, moreover, on the ground that it seeks information which is more easily available to Scientology than Armstrong. Scientology knows who the parties and attorneys of record are in its various litigations, including the case cited in its request. All that notwithstanding, and lacking no information to the contrary, Armstrong submits an unqualified admission.

REQUEST FOR ADMISSION NO. 4

You worked as a paralegal for attorney Ford Greene since August, 1991.

RESPONSE TO REQUEST FOR ADMISSION NO. 4

Armstrong objects to this request for admission on the grounds that it is vague and ambiguous as to to the term "paralegal." Nevertheless, omitting that term, Armstrong admits that he has worked for Ford Greene since August, 1991, and is interalia, an unqualified self-admitted paralegal. With that understanding Armstrong submits an unqualified admission.

REQUEST FOR ADMISSION NO. 5

You attended the convention of the Cult Awareness Network in November, 1992.

RESPONSE TO REQUEST FOR ADMISSION NO. 5

Admitted.

REQUEST FOR ADMISSION NO. 6

In November, 1992, you provided a videotaped interview to Jerry Whitfield.

RESPONSE TO REQUEST FOR ADMISSION NO. 6

Admitted.

REQUEST FOR ADMISSION NO. 7

In June, 1993 you gave an interview to one or more reporters from *Newsweek* magazine.

RESPONSE TO REQUEST FOR ADMISSION NO. 7

Armstrong admits that he gave an interview to a reporter fror *Newsweek* magazine, but lacks sufficient information to be able know if said interview was in May or June of 1993. He has diligent search but has no confirming facts otherwise an way.

REQUEST FOR ADMISSION NO. 8

In August, 1993, you gave an interview to one or more reporters from Entertainment Television.

RESPONSE TO REQUEST FOR ADMISSION NO. 8

Armstrong admits that he gave an interview to a reporter from Entertainment Television, but that said interview could have been in July of 1993. With that as an understanding, Armstrong submits an unqualified admission.

REQUEST FOR ADMISSION NO. 9

In August, 1993, you provided a copy of a manuscript entitled "ONE HELL OF A STORY An Original Treatment for Motion Picture Purposes Created and Written by Gerald Armstrong to Entertainment Television.

RESPONSE TO REQUEST FOR ADMISSION NO. 9

Armstrong admits that he provided "One Hell of a Story" to Entertainment Television, but that said provision could have been in July of 1993. With that as an understanding, Armstrong submits an unqualified admission.

REQUEST FOR ADMISSION NO. 10

In June, 1993, you helped form a Colorado corporation called "Fight Against Coercive Tactics, Inc." (hereinafter, "FACTI").

RESPONSE TO REQUEST FOR ADMISSION NO. 10

Armstrong objects to this request for admission on the grounds that it is vague and ambiguous as to the terms "helped and form."

REQUEST FOR ADMISSION NO. 11

From June, 1993 until June, 1994 you were the President of

FACTI.

RESPONSE TO REQUEST FOR ADMISSION NO. 11

Denied.

REQUEST FOR ADMISSION NO. 12

FACTI maintains and operates an electronic "library" in the form of a computer bulletin board which contains, inter alia, documents relating to plaintiff.

RESPONSE TO REQUEST FOR ADMISSION NO. 12

Armstrong lacks sufficient information to be able to admit or deny this request. Aside from the fact that Armstrong has no actual knowledge of anything Fight Against Coercive Tactics (Fact) does, lacking facts to the contrary, Armstrong submits an unqualified admission.

REQUEST FOR ADMISSION NO. 13

You provided documents to FACTI with the intention that those documents would become a part of its electronic library.

RESPONSE TO REQUEST FOR ADMISSION NO. 13

With the understanding that Armstrong does not know of the existence of such a library, has never seen neither it nor one, and understanding that by "intention" is meant "hope," Armstrong submits an unqualified admission.

REQUEST FOR ADMISSION NO. 14

In January, 1994, FACTI sent a mailing to hundreds of people requesting negative information about Scientology entities and related individuals "to assist ongoing litigation."

RESPONSE TO REQUEST FOR ADMISSION NO. 14

Armstrong lacks sufficient information to be able to admit or deny this request numerically. Armstrong objects to this request for admission on the grounds that it is vague and ambiguous as to the terms "negative information," entities" and "related individuals."

REQUEST FOR ADMISSION NO. 15

In February, 1994, you voluntarily provided a declaration to Graham Berry, Gordon Calhoun and/or Lewis, D'Amato, Brisbois & Bisgaard, attorneys for Uwe Geertz.

RESPONSE TO REQUEST FOR ADMISSION NO. 15

Admitted.

DATED: July 21, 1994

HUB LAW OFFICES

By:
FORD GREENE
Attorney for Defendant
GERALD ARMSTRONG

VERIFICATION

My name is Gerald Armstrong and as defendant in the above action have received for foregoing responses to CSI's requests for admission and as to the same hereby declare under penalty of perjury that the foregoing is true and correct.

Executed this 21st day of July, 1994 at San Anselmo, California.

G.

GERALD ARMSTRONG

PROOF OF SERVICE

I am employed in the County of Marin, State of California. I am over the age of eighteen years and am not a party to the above entitled action. My business address is 711 Sir Francis Drake Boulevard, San Anselmo, California. I served the following documents: ARMSTRONG'S RESPONSES TO REQUEST FOR ADMISSION AND FORM INTEROGATORY

on the following person(s) on the date set forth below, by placing a true copy thereof enclosed in a sealed envelope with postage thereon fully prepaid to be placed in the United States Mail at San Anselmo, California:

Andrew Wilson, Esquire
WILSON, RYAN & CAMPILONGO
235 Montgomery Street, Suite 450
San Francisco, California 94104

LAURIE J. BARTILSON, ESQ.
Bowles & Moxon
6255 Sunset Boulevard, Suite 2000
Los Angeles, California 90028

[X] (By Mail) I caused such envelope with postage thereon fully prepaid to be placed in the United States Mail at San Anselmo, California.

[ ] (Personal Service) I caused such envelope to be delivered by hand to the offices of the addressee.

[X] (State) I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

DATED: July 21, 1994

HUB LAW OFFICES
Ford Greene, Esquire
California Bar No. 107601
711 Sir Francis Drake Boulevard
San Anselmo, California 94960-1949
Telephone: (415) 258-0360

Attorney for Plaintiffs
VICKI J. AZNARAN and
RICHARD N. AZNARAN

UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

VICKI J. AZNARAN and RICHARD N. AZNARAN,

Plaintiffs,

vs.

CHURCH OF SCIENTOLOGY OF CALIFORNIA, et al.,

Defendants.

AND RELATED COUNTER CLAIM

No. CV-88-1786-JMI(Ex)

DECLARATION OF GERALD ARMSTRONG IN OPPOSITION TO MOTION TO EXCLUDE EXPERT TESTIMONY

I, GERALD ARMSTRONG, declare:

1. I was a Scientologist from 1969 to 1981 and held many organizational positions during that period. I was also the defendant in an action entitled Church of Scientology vs. Armstrong, in Los Angeles Superior Court. Judge Breckenridge's opinion in that case was affirmed by the California Court of Appeal on July 29, 1991.

2. Throughout 1980 and 1981 I was L. Ron Hubbard's biographical researcher and archivist. During that period I read

EXHIBIT N

and studied his letter dated September 7, [illegible]55 to the Federal Bureau of Investigation and I provided a copy of it to writer, Omar V. Garrison for his use in a biography of Hubbard. A true and correct copy thereof is attached hereto as Exhibit 1.

3. While I was a Scientologist I read and studied L. Ron Hubbard's Technical Bulletin of July 22, 1956. It was published in the 1970's in bound volumes of Hubbard's "technical" writings and has continued to be published in later volumes up to the present time. A true and correct copy is attached hereto as Exhibit 2.

Under penalty of perjury, pursuant to the laws of the United States I hereby declare that the foregoing is true and correct. Executed this 26th day of August, 1991, at San Anselmo, California.

G.

GERALD ARMSTRONG

EXHIBIT 1 [illegible]

RON HUBBARD, D.D. PH.

(51)

3640

Box 242
Silver Spring, Md.
Sept. 7, 1955

TO THE FEDERAL BUREAU OF INVESTIGATION
Communist Activities

L. Ron Hubbard

Gentlemen:

A series of sudden insanities and disturbances in Dianetic and Scientology groups reached seven last week on the West Coast.

In Atomic Energy's Richland, Washington a young boy who had never been treated with Dianetics or Scientology but whose father Verne McAdams is the local Scientology group leader in Richland suddenly and mysteriously became insane, so suddenly and so thoroughly that the head of the institution for insane in Richland, evidently of good security, suspects the use of LSD, the insanity producing drug so favored by the APA. Two of our ministers in that area at my request went further into the situation and by means we will not detail recovered from the boy information of which his family had been entirely ignorant. On instructions to find the "other psychiatrist" our ministers by this means located an unsuspected one in Atomic Energy's front yard, a man who had been the construction company doctor during the building of Richland and who had then turned psychiatrist and whose name strangely enough is Menkowski (sp?). The boy had evidently had some association with this man before this sudden onset.

00-79

With this information not yet cool long distance from San Francisco Bay Area notified us of the sudden and inexplicable descent into insanity of one Wanda Collins. She is ravingly insane and yet was completely sane a day ago. Her people and our people cannot account for a missing nine hour period just before this onset. You should be interested in this because Wanda Collins resigned from the Communist Party some time ago, foreswore it and tried to make amends with Scientology and would be a logical candidate for an LSD attack.

SEE REVERSE SIDE FOR ADD. DISSEMINATION

RECORDED-107

Concurrently with this in Phoenix Arizona

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our Mr. Edd Clark was suddenly arrested "for practising medicine without a license", and this is very odd because he is the first Dianeticist or Scientologist in five years of world wide operation to be so accused. He could not have been practising medicine because Dianetics and Scientology seek only to assist able people to improve their talents and have no interest in sickness or insanity. He was arrested and without any search warrant all his papers and letters were seized even down to blank typewriter paper and were carried away, a fact which places this matter quite solidly in the field of the F.B.I.. Mr. Clark is a half-blind deaf old man. He was once a chiropractor but has long since ceased to be one. He was told by the County Attorney that the County Attorney meant to "get to the bottom of this thing about Hubbard and Scientology."

The "bottom of the thing" can be found in "Who Knows and What" and "Who's Who in the East" in the local library or from bookstores which carry my books. My own life is about as hard to investigate as a white rock on a summer's day.

It is not uncommon in the past five years to have judges and attorneys mad-dogged at about what a terrible person I am and how foul is Scientology. Persons never named or available step in, spread violent tales and accusations and vanish. This mad-dogging has evidently been done at this County Attorney to prompt such a foolish action. This makes the third civil official in that area to go off half-cocked about Scientology. When it is all done and Scientology has been neatly ruined by the newspapers in the area and when all the charges have been quashed there is no one from whom any recompense can be drawn. "It was all a mistake"---

In 1950 the Dianetics Foundations were violently attacked and discredited. The 200 Foundation employees, when screened, yielded 35 Communist-connected persons. That done the commotion stopped. After three quiet years in the Phoenix area we forwarded to the Defense Department data on brain-washing. Instantly we became [illegible] subject of violence. [illegible] people were seized by psychiatrists in that area to date and to this day so far as I know are still being held, their sanity shattered.

After we so informed the Defense Department about brain-washing technologies in our hands and offered them, we have been in a state of siege. Understand that we accuse the D.D. of nothing.

Psychiatrists as far north as Seattle have said they were "out to get every Scientologist." An Internal Revenue official has used those very words before witnesses and said he was going to get to the bottom of this thing in Phoenix. People in suspicious condition were sent from one place in Southern California to be "treated by Scientology" for insanity and yet we have no interest in treating anyone, especially the insane. Now two more people go suddenly and inexplicably insane in widely different places both the dame way. All manner of defamatory rumors have been scattered around about me, questioning even my sanity which is fortunately a matter of good record with the Navy as by statement "having no psychotic or neurotic symptoms whatsoever."

I have a wife and three little kids. I have a good many thousand people scattered around the world trying to help their fellow man and I am responsible for these people. I am trying to turn out some monographs on matters in my field of nuclear physics and psychology for submission to the government on the subject of alleviating some of the distress of radiation burns, a project I came east to complete. This lawless and brutal attack on Scientology now spreading evidently to three states will probably not end until a great deal of injustice and human suffering has occurred.

Would you please discover for me or for yourselves the exact names and whereabouts of the persons whose statements inflamed the County Attorney in Phoenix in arresting a half-blind old man and seizing all his books and papers. If we have those names and if we trace them back we will have someplace to start on this madness

which not re[illegible] into three [illegible].
do this for us.

I am getting additional copies of the material which was offered to the Defense Department since that agency has not acknowledged or returned anything shipped to it about brain-washing and when I have these copies I will send one to you for this is the only starting place I know about for this outbreak and the matter, while far from conclusive at least tells me that something went astray which was dangerous in the wrong hands.

Could you please have your Phoenix office obtain the names of the people who defamed us to the County Attorney? Your Bay Area and Richland offices have already been apprised of the incidents in those areas.

L. Ron Hubbard

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EXHIBIT 2

HUBBARD COMMUNICATIONS OFFICE
217a Kensington High Street, London W.8

RUSH

July 22nd. 1956

To U.S. ONLY Julia Lewis, Dick Steves, L. Ron Hubbard, Jnr.

To England ONLY Association Secretary (Jack Parkhouse)
Director of Processing (Ann Walker)
Director of Training (Dennis Stephens)

Staff Auditors, Instructors and Auditors close to Operations only.

TECHNICAL BULLETIN OF 22 JULY 1956

I feel the urge to communicate to you the best news since 1950.

I have whipped the problems of the whole track and memory of the past and can resolve the worst cases we have ever had. That is a huge statement *but* I have solved and can untangle in an intensive the problems of the vacuum and havingness plus memory and health and have just done so. Hence the exuberance.

Also, other auditors can solve these in a case as well. NIBS has just cracked two six-year-standing Black Fives using some of this material and Herbie Parkhouse has had considerable luck with solids.

We are now capable of solving Book One style cases to the extreme level of clear.

No wild burst of enthusiasm is here intended. I have to put the finishing touches on a lot of things and the process is still slow—25 to 75 hours. But I've now done it and seen it done to worse cases than any you've had. And that's fact!

Okay. It's not simple. It requires a minute understanding of Book One. It would take me 50 pages to explain all I've lately found about vacuums. You haven't seen the last of me or of study, but you will have seen the last of unsuccessful cases providing only that we have time and environment in which to audit them.

We can make homo novis. (AND give a grin to those who kept standing around bleating, "Where are the clears?")

We know more about life now than life does—for a fact, since *it* was reaching, we can communicate about the reactions.

The process is concerned with "making it solid" combined with effects. It isn't easy. It is wonderfully complex and delicate. But it *has* been done. And it is being done.

Our cases gained but sometimes slumped. Why? Because an electronic vacuum restimulated on the track after sessions, and robbed the case's havingness.

A vacuum isn't a hole. It's a collapsed bank. Every lifetime bank is collapsed into a vacuum.

The formula is—

1. Run pc on start-change and stop for *hours* until he is under auditor's control, in session and (often) exteriorized.
2. Then run him with commands "What are you looking at?" "Good." "Make it solid."

   He will eventually hit a vacuum. (He'd hit it faster on "Recall a can't have" but it's too fast.) Here's the tangle. The vacuum is a super-cold mass or an electric shock. This "drank up" bank electronically (brainwashed him). The energy drunk turned black. Hence black cases. (Does not apply only to black cases however.)
3. Run, interspersed with solids and "objective can't have" on the room, "Tell me an effect object (that drank bank) could *not* have on you," and "Tell me an effect you could have on object." Object may be electrodes or supercold plate or even a supercold glass.

Caution, handle one vacuum at a time. These vacuums go back for 76 Trillion years. They were the original brainwash thetans did to one another, then psychiatrists (on the whole track) did expertly (modern psychiatrists are *punks*, modern shock too feeble to do more than restimulate old vacuums).

Take the vacuum that comes up running solids, or even "Recall a can't have", whatever it is and solve it as above.

This is delicate auditing. If you restimulate a vacuum too hard, the whole track groups on it.

Read Book One. Add vacuums instead of word groupers, use above and you'll probably get through to success. Nibs did and I had given him less than you have here. Of course, he's one of the best auditors in the business, so go easy. And Herbie Parkhouse is no slouch.

CAUTIONARY

This is true—

1. We have created the *permanent* stable clear.
2. In creating him we have a homo novis in the full sense, not just an Operating Thetan.
3. We now know more than life. An oddity indeed!
4. We now know more about psychiatry than psychiatrists. We can brainwash faster than the Russians (20 secs to total amnesia against three years to slightly confused loyalty).
5. We can undo whatever psychiatrists do, even the tougher grade from way back. We can therefore undo a brainwash in 25 to 75 hours.
6. We can create something better than that outlined and promised in Book One.

BUT

1. We need to know more and be more accurate than ever before about the time track and auditing. I have not given a thousandth of what I know about this.
2. We have a new game but also new responsibilities amongst men.
3. This data in the wrong hands before we are fully prepared could raise the Devil Eternally.
4. Because we know more than the Insanity Gang, we're not fighting them.
5. Because we can undo what we do, we must retain a fine moral sense, tougher by far than any of the past.
6. We can create better than in Book One now *only* if we know Book One and know our full subject.

AND WE DO NOT YET KNOW ALL THE SAFETY PRECAUTION TO BE USED.

I will be giving this data in full at the Games Congress, Shoreham Hotel, WASHINGTON, D.C., August 31st, to September 3rd, 1956.

The exact regimen of this will be SLP 8 and will include the total picture of separating valences from bodies (which must still be done by the auditor, a formula I now have).

I have given you this data in this bulletin at this time because now I know I know and I want you to share in seeing the surge of vision which will be our future.

L. RON HUBBARD

P.S. (Actually, contrary to rumor, it *hasn't* all been done before. If it had been, the guy who is saying it has would be clear!)

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[SHOT: Studio setting]

NARRATOR: A former member of the Church of Scientology claims he has damaging information about the organization, but he's being silenced by a Court Order. Don Nab explains.

[CNN CAPTION: SCIENTOLOGY.]

[SHOT: Close up of Armstrong with Ford Greene behind him. Then a pan of the courtroom, with attorney Andy Wilson arguing and a shot of the Judge.]

Don Nab: Gerald Armstrong says he knows a lot about the Church of Scientology and he's fighting in court for the chance to tell it. A former archivist of the organization he had first hand access to records of Scientology's controversial founder, L. Ron Hubbard.

[SHOT: Close up of Armstrong in an office. Don Nab narrating]

Gerald Armstrong: I'm an expert in the misrepresentations Hubbard has made about himself from the beginning of Dianetics until the day he died.

Don Nab: But that's about all that he can say legally. The Church of Scientology slapped Armstrong with a Court Order to prevent him from talking about what he may know.

[SHOT: Excerpt of Video tape of 1986 settlement signing.]

Heller: You are going to sign this of your own free will.

Armstrong: Yes.

[CNN caption: December 1986.]

Heller: OK. You're not suffering from any duress or coersion which is compelling you to sign this document.

[CNN CAPTION: Video provided by Anti-Scientology Attorney.]

Armstrong: No.

Heller: Alright, ...

Don Nab: As part of the lawsuit settlement documented by Scientology on this video tape, the Church paid Armstrong $800,000. In that settlement Armstrong agreed not talk about the Church, it's documents, or its founder.

[1ST SHOT: Wilson and Hertzberg sitting at counsel table.]
[2ND SHOT: Greene arguing at counsel table.]

Don Nab: Now, the Church of Scientology wants to block Armstrong from working with anti-Scientology attorney, Ford Greene.

Ford Greene: Gerald Armstrong possesses information about the Church of Scientology on first-hand basis that undercuts a lot of the claims that they make to the public on a daily basis in advertisements on TV and advertisements in newspapers.

[CNN CAPTION: Ford Greene, Anti-Scientology Attorney.]

[SHOT: Bartilson at counsel table with a stack of papers.]

Don Nab: Greene hired Armstrong as a paralegal, to help him with a lawsuit against Scientology in Los Angeles.

[SHOT: Wilson arguing at counsel table.]

Don Nab: Attorneys for the Church of Scientology claimed that Armstrong was breaking his settlement contract.

Andy Wilson: $800,000. $800,000 was paid to that man. And now that he's spent the money, he comes into this court and he says, "I don't have to keep my part of the bargain."

[CNN CAPTION: Andrew Wilson, Scientology Attorney.]

[SHOT: Judge Dufficy at Bench.]

Don Nab: Scientology won this round. The gag on Armstrong remains, for now.

[SHOT: Close up of Armstrong at counsel table.]

Don Nab: Armstrong is not alone. 12 former Scientology members have accepted money to settle lawsuits with the Church.

[SHOT: Pleading packs on counsel table.]

Don Nab: The settlements included, promises to remain quiet and take no part in further litigation against the Church.

[SHOT: Greene in law office.]

Ford Greene: It'll be extremely damaging because Scientology has spent a whole ton of dough, on keeping not only Gerry silent but a lot of other people silent. And if Gerry's case unravels, it's the first domino, and all the rest of them are going to unravel ...

[SHOT: Green in law office with interviewer.]

Don Nab: Attorney Greene says, Armstrong's knowledge of Scientology can prove the Church is not what it says it is.

[SHOT: Outside of the Courtroom. Armstrong and Phippeny prominent.]

Don Nab: Scientology says, Armstrong accepted a lot of money not to discuss the Church and should keep his word. Don Nab, CNN, San Raphael, California.